

# **JAPAN'S FOREIGN POLICIES**

## A COMPANION VOLUME

BY THE SAME AUTHOR

# Japan at the Cross Roads

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LONDON : GEORGE ALLEN & UNWIN LIMITED

# JAPAN'S FOREIGN POLICIES

BY

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"Japan at the Cross Roads." "The Secret Memoirs of Count Hayashi."



LONDON : GEORGE ALLEN & UNWIN LTD.  
RUSKIN HOUSE, 40 MUSEUM STREET, W.C. 1

*First published in 1920*

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"The immediate duty of the Western Powers is to undo all that has been done to weaken China."

The late Sir CLAUDE MACDONALD, K.C.M.G., K.C.B., etc.  
H.B.M.'s Minister at Peking, 1898-1902, and H.B.M.'s  
Minister and Ambassador at Tokio 1902-12.

What happens between the time a sheep's sheep and when it appears on the table as mutton cutlets in paper frills?—*N.Y. Life.*



## PREFACE

THE author presents his apologies to the critics whose duty it may be to read the following chapters. They were originally written in 1915, as part of a larger volume, the publication of which was prevented by the exigencies of war. The chapters dealing with internal affairs were published in *Japan at the Cross Roads* in 1917. After the unexpectedly favourable reception accorded to that work and to a previous volume, *The Secret Memoirs of Count Tadasu Hayashi*, the pitcher has some trepidation in going to the well for a third time.

The present volume consists of the chapters of the MSS. referred to above dealing with Japan's Foreign Affairs, with such extension and elaboration as may have been necessary to bring it up to date. To a large degree, therefore, the matters principally related belong to the years 1911 to 1914. But as the events of those years are closely united to the events which have since occurred in China, they are not altogether without interest to students of Far Eastern affairs.

So far as those years are concerned the author has relied almost entirely on his own memoranda. For the subsequent years he is indebted to correspondence, and to the files of *The Japan Chronicle*, *The Japan Gazette*, and the China Treaty Port foreign papers, all of which are mines of great historical value. Incidentally it should be remarked that there is no file of these papers available at any British institution, which appears to be a serious oversight of most important raw material for future historians. The Japan and China Treaty Port foreign papers very frequently contain articles of the first im-

portance, translated from the vernacular press. These original articles are often written by leading politicians and statesmen, and may be readily identified. Count Mutsu's and Count Hayashi's contributions to Japanese papers will readily occur to the mind as examples of this, whilst Tang-shao-Yi, Wu-ting-Fang and Liang-chi-Chao have all been prolific writers in the Chinese vernaculars.

During the past five years the world has travelled so far and so fast that a complete revolution has occurred in the Far East almost without people in this country knowing it. Events are rapidly moving in that part of the globe, and what the outcome will be lies on the knees of the gods. In America there is a distinct foreboding that, in the not distant future, another war is looming up. The secular menace, which overhung Europe for so many years, has shifted to the Pacific. History is a pendulum, which swings with inexorable exactitude.

The chapters which follow may help to some small degree to explain how the cloud, which in Count Hayashi's time was no larger than a man's hand, has spread to its present proportions.

In a war between America and Japan, which is to-day a proximate possibility, sympathies in this country would surely be with our cousins. To what extent our sympathies might go is another question. But one thing is perfectly certain: should they go to extremes then we should be well provided with occupation in quenching political arson in our Asiatic dominions. Japan's policy is to control China, and, through China, to dominate Asia. The frontal attack on Asia through China is temporarily stopped. But there are back-doors, and one of them is India. Fortunately the Indian authorities are wide awake to the dangers.

A. M. P.

LONDON,

October 30, 1919.

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# Japan's Foreign Policies

## CHAPTER I

### JAPAN AND THE ANGLO-JAPANESE ALLIANCES

"C'est ce qu'on ne dit pas qu'explique ce qu'on dit."

SINCE the publication of the late Count Hayashi's *Memoirs* foreign estimates of Japanese diplomacy have had to be revised. As will be remembered, the late Count, who filled the offices of Vice-Minister and Minister of Foreign Affairs, Minister at Peking and St. Petersburg, and Minister and Ambassador at London, discharged an arrow from the tomb in the shape of an extremely piquant memorandum of the negotiations which led up to the signature of the first Anglo-Japanese Treaty of Alliance.

Although the Japanese Government tried every possible means at its disposal, short of assassination, to suppress this highly important historical document, the writer, then correspondent of Reuter's at Tokio, succeeded in smuggling out two translations, one of which was published in London and the other in Shanghai. The chorus of amazed astonishment which greeted the publication was justification enough of the Japanese Government's efforts at suppression, futile though they had been. The studious silence of the chancelleries was at least presumptive of the substantial truth of the revelations.

The *Memoirs* exposed in the most vivid manner the *naïveté* of British diplomacy and the slimness with which Hayashi had "stimulated" Downing Street into an

Alliance with Japan, by threatening in other case to make an Alliance with Russia. Indeed, in case Lord Lansdowne should have called this bluff, the stimulation, according to Count Hayashi, even went so far as to dispatch Marquis Ito, the most influential Japanese statesman of that time, to St. Petersburg to open *pour-parlers* with Count Lamsdorff for a Russo-Japanese Treaty. In case the Russian bogey were not enough for the troubled nerves of the British diplomats, M. Kurino was packed off to Paris to talk about a Triple Alliance between Russia, France and Japan.

That even Hayashi, hardened diplomatist as he was, felt disgusted by the action of his chiefs is evidenced by the passage, "the method by which the Alliance was gained was a disgrace, and lost us the respect and confidence of Europe and America."

As bearing on the present international situation it is interesting to recall that the Alliance was first proposed by Germany to be a Triple Alliance of Britain, Germany and Japan.<sup>1</sup> The late Count was not backward in relating how Germany was shut out, though he is careful to impute the blame therefor to Lord Lansdowne. To whomsoever the blame, it is undeniable that it resulted in very bitter feeling in Germany and did much to damage Anglo-German relations.

Whether it was intended or not, the Alliance was externally an extraordinary success for Great Britain, and it has most certainly been the *panâche* of Japanese diplomacy. The antipathy between London and St. Petersburg at that time was rather marked, whilst there was considerable jealousy in England with regard to French colonial ambitions. The treaty, as Hayashi cynically details, was nothing more than a "keep-the-ring" arrangement whilst Japan fought Russia. It is doubtful if England thought that she stood to lose or gain much or anything.

<sup>1</sup> M. Oishi, Director of the Political Bureau at the Foreign Office during the negotiations, published in 1915 some interesting reminiscences of the circumstances, especially dealing with this point, which was rather strenuously denied at Berlin.



If Japan won, Russia would no longer be dangerous on the Indian frontier, whilst France, having put all her funds in Russia, would have to curtail her colonial aspirations. If Japan lost, it would only be a matter of her fleet going to the bottom and a few millions dropped on the Stock Exchange, for, owing to her insular position and Russian naval weakness, the Japanese Empire was practically safe from invasion. The reward Japan was to reap for success was Korea, and whatever she could screw out of Russia and China in Manchuria.

Both Count Hayashi and Prince Ito make it abundantly clear that Japan's aims on Korea date back far earlier than 1910, and dispose once and for all of the claims of the *Gwaimusho* that the annexation of Korea was "the result of the self-consciousness of the Korean people, who, seeing that without Japanese assistance they would be unable to keep abreast of the times, asked the Japanese Government to annex the country."<sup>1</sup>

The Treaty of Alliance lays down as its fundamental principle the maintenance of the integrity of China and of the *status quo* in the Far East. This is the sacred text of Japanese foreign policy, as preached for public consumption.<sup>2</sup> Since the signature of the treaty Korea has been annexed, South Manchuria placed within the Japanese exclusive sphere of influence, special privileges granted to Japan in Eastern Mongolia, railway concessions for over 1,000 miles granted to Japan in the north, two other railways mortgaged to Japan in Tchekiang, special rights granted to Japan in Fukien, in addition to the crop of special rights and concessions to other Powers. In fact, the process of spoliation in China during recent years has most seriously developed, always under the euphemism of the "open door." The sheep has become mutton cutlets!

The "open door" simply means the right of any powerful nation to steal or blackmail from China as much as

<sup>1</sup> Speech by General Viscount Terauchi, Governor-General of Korea.

<sup>2</sup> And the Devil did grin, for his darling Sin  
Is the pride that apes humility.

any of its rivals and more if possible. For Russia there was an excuse. She lost to Japan all her gains in Manchuria, and her latest Chinese interests were in a sort of "No-man's land," over which Chinese authority itself has no legitimate claim. Britain's interest in Thibet is of ancient standing and in no way involves the dependence of that country.

With Japan it is quite otherwise. She has no ancient rights in China nor any claims of any kind whatsoever. Her creed is purely one of force. Her policy is solely one of grab and exclusion. Yet so clever is her diplomacy, so plausible her arguments, that she has time and again inveigled Great Britain into supporting her demands. Sir Edward Grey, so far as is known, never shed a tear or blinked a lash when Korea was annexed by Japan, "to maintain the integrity of China and the *status quo* of the Far East." Britain actually allowed a penniless Japan to participate in the Five-Power loan and then supported Japan's demand for special rights and privileges in Eastern Mongolia and exclusive influence in South Manchuria as the price of her participation; and, to cap it off, lent Japan the money which made her participation possible! Truly is the game of diplomacy one of bluffing, and the self-complacent British too often are the bluffed.

To any one who has lived in Japan, and is not blinded by a salary, subsidy or decoration from the Government, it is quite apparent that the Japanese are severely anti-foreign. "Methinks thou dost protest too much" is as handy a quotation in Dai Nippon as anywhere. A nation which goes to the extraordinary lengths of the Japanese in demonstrating its affection for the distinguished stranger within its gates is *ipso facto* suspect. If, however, the victim of these wonderful manifestations of welcome is able to conduct a careful examination of the condition of foreigners in the country, he is forced to the conclusion that the whole display is merely "show pidgeon," of which the Japanese as true Orientals are past-masters.

Surely the fairest test of friendship is the measure of reciprocity meted out to foreigners. In Japan, however,

there is no such thing as reciprocity. "Do unto others as you would be done by" is simply not understood. Practically a foreigner has no rights in Japan whatsoever, although rights are nominally conceded to him by treaty.

For example, a foreigner cannot become naturalized as a Japanese, except by marriage into a Japanese family and adoption of a Japanese name. Yet Japan demands from the United States and has acquired from other countries the right of naturalization for her sons. No foreigner can own land in Japan, and it has been repeatedly and responsibly stated, both in the Diet and out of it, that such foreign ownership would be a "pollution" of Japanese soil. But nevertheless the Mikado's Government claims from America and Canada, and has obtained from most other countries, the right of Japanese to own real estate.

No foreign ships are allowed to carry passengers or freight between ports of Japan, though the N.Y.K. runs services between Rangoon and Singapore, Rangoon and Calcutta, Hongkong, Singapore, Colombo, Aden, Port Said, Malta, Gibraltar and the home ports of Great Britain. No launch, barge or boat of foreign registration is allowed to ply in Japanese harbours, either for the transport of passengers or of freight, yet the flag of the Rising Sun flits between Kowloon and Hongkong and in a hundred other ports.<sup>\*</sup> A foreigner may not even own a motor-boat in his own name.

By a Bill introduced into the Diet in 1913 by Dr. Okuda, the then Minister of Justice, no foreigner may open a law office, though Japanese plead in New York, London and elsewhere. Foreign labour is absolutely forbidden in Japan, but Japan protests against efforts to keep Japanese labour out of British Columbia. The above are only instances of the manner in which foreigners are discriminated against. Whoever heard of a foreigner being

<sup>\*</sup> Yet in the Japanese treaties with China it is always stipulated that Japanese shall enjoy in China those very rights which Japan denies to Chinese and foreigners in Japan, and which she is anxious to see denied to other foreigners in China (*vide* Commercial Treaty: Japan and China, 1903).

acquitted in a Japanese court? Dr. Ebara, the best known of Japanese Christians, said: "A principal characteristic of the Japanese is their anti-foreign attitude," Mr. Tagawa Daikichiro wrote: "The Japanese regard all foreigners as enemies." Mr. Ozaki, Minister of Justice, was credited by the *Miyako Shimbun* with "foreigners are only good for what they bring us."

In the spring of 1913 the famous *Hakabatsu* (White Peril) campaign began. Mr. Tokutomi, who led it, is a very distinguished person. He is aristocratic, highly educated, an Imperial nominee of the House of Peers, an ex-Minister and editor of *Kokumin Shimbun*, one of the best and most influential of the Tokio dailies. In a striking series of articles Mr. Tokutomi advanced the theory that the white races pretending to Christianize the world have succeeded in mastering it. The white races oppress the coloured, nominally because they are beaten, really because they are not white. It is the duty of the yellow races to lead the coloured races in a struggle for the supremacy of the world, so that all races be treated justly. He writes:—

The white men consider the world as created for their sole delectation. They think that they are the elect of God and call other people heathens. As a fact though, they treat coloured converts to Christianity as foemen defeated in battle. The test of religion really means nothing. It is only force that counts in the world. If Japan had happened to be converted to Christianity, it would not have resulted in the revision of the treaties. . . . To be yellow is in the eyes of the whites not much better than to be black. Coloured people are ostracized by the whites because they are heathen. But if they were all converted some other excuse would be quickly found. . . . Is there no cause for enmity against the whites? We coloured people must combine and crush Albino-cracy. We must make the whites realize that there are others as strong as they.<sup>1</sup>

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<sup>1</sup> At a public demonstration at Kyoto to protest against the Californian legislation, Dr. Ichimura, of the Imperial University at Kyoto, laid down the following as the principal characteristics of the white races:

(1) White men consider that they alone are human beings, and that all coloured races belong to a lower order of civilization.

(2) They are extremely selfish, insisting on their own interests, but ignoring the interests of all whom they regard as inferiors.

Mr. Tokutomi frankly pits the Gospel of Force against the force of the Gospel. The appeal to fundamental instincts beats even the most laboriously acquired habits.

Two other prominent leaders of the *Hakabatsu* campaign are Count Okuma and Dr. Nagai, Professor of the Count's University at Waseda. The late Premier has the reputation of being very pro-foreign. His home at Waseda is the Mecca of sycophantic admirers from the States, for no man in Japan is more interviewed and more quoted than the "Sage of Waseda." Yet, with all his alleged pro-foreign sentiments, he has never tried to learn, and can neither speak, read nor write any foreign language. His real attitude to foreigners may be judged from his speech to the Waseda Fraternity at Chiba on May 17, 1913, when he said:

The white races regard the world as their property and all other races are greatly their inferiors. They presume to think that the rôle of the whites in the universe is to govern the world as they please. The Japanese were a people who suffered by this policy, and wrongfully, for the Japanese were not inferior to the white races, but fully their equals. The whites were defying destiny, and woe to them.

It was the late Count Hayashi who asserted that one day Japan would put the meddling foreigners in their places and meddle in their affairs and reap advantage from it.<sup>1</sup>

Count Okuma controlled two newspapers, the *Hochi*, a daily which is notorious for its pan-Japanese tone and which has the largest circulation of any paper in Japan, and the *Shin-Nihon*, a monthly review which in 1913 was the particular organ of the Albinophobe scribes.

It was in the pages of the *Shin-Nihon* that Dr. Nagai published a virulent attack on the white races, and for

(3) They are full of racial pride and conceit. If any concession is made to them they demand and take more.

(4) They are extreme in everything, exceeding the coloured races in greatness and wickedness.

(5) They worship money, and believing that money is the basis of everything, will adopt any measures to gain it.

<sup>1</sup> Articles in *Jiji Shimpō*, June and July, 1895.

this Count Okuma must be held responsible, inasmuch as he personally edited the review at that time. It was in the *Hochi*<sup>1</sup> that foreigners were described as "living in dirty countries outside the divine protection of the Sun-Goddess." It was Count Okuma who, speaking to the Kobe Chamber of Commerce, said: "There are three hundred million natives in India looking to us to rescue them from the thralldom of Great Britain."

It was Dr. Nagai who wrote :

No sooner do the whites control a country than they close it to the yellows. Now the Chinese are confined to a corner of the earth, but even that is being nibbled away from them. The whites enjoy possession of half the world, and confine the yellows to a corner of Asia, all the while preaching universal peace. If we protest against their absurdities they call us truculent. We cannot tolerate this for ever.

It was the semi-official *Japan Times* which laid a sweeping accusation against foreigners of being "aggressive, unjust, brutal and inhuman." It was the same paper which accused foreigners in China of being "absurd, dangerous, mediæval and insolent." *The Japan Times* is fond of adjectives !

No reader of the *Life and Letters of Lafcadio Hearn*, 1907, can fail to recognize how deeply his last years were embittered by his realization of Japan's anti-white feelings and of her aggressive designs.

Viscount Suyematsu was in 1907 responsible for a violent campaign against the foreigners, and even went so far as to claim that the deterioration of Japanese character was a result of missionary endeavour and intercourse with the white races.

Viscount Kaneko, a Harvard graduate, a Privy Councillor and a member of various Cabinets, and not unknown for subsequent outbursts, in 1907 said :

The Japanese, who have hitherto been looked down on by foreigners, will in future be rather feared by them, with the result that the Japanese will be able to command the movements of

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<sup>1</sup> It was the same paper which nicknamed foreigners *yajin* (clod-hoppers).

Europeans and Americans, as we have acquired a field of unfettered movement on the Continent of Asia.

Count Hirosawa, a Cambridge graduate and a Director of the Seikosho (Muran Steel Works), a Vickers-Armstrong subsidiary, said :

The alliance between England and Japan is a sign of England's decadence, whilst the suggestion that Japanese soldiers might be required for the defence of India is a clear sign that the period of her decline has begun.

It might be imagined that in matters of trade foreigners would be welcome, for Japan, beyond silk, which is a luxury, and matting, which is a very limited manufacture, has few indigenous industries. Further, she has only small natural resources, but little mineral wealth and her inventive genius is not great. But "Get rid of the foreigner, bag and baggage," is the cry. Baron Takahashi, when Minister of Finance in 1913, addressed the Osaka Chamber of Commerce as follows : "Get rid of foreign products, money, traders and ships !" Count Okuma has often preached on the same text. Import checking and importer expelling is the present day creed of the Japanese Government.

In the middle of the Russo-Japanese War, Count Komura, Minister of Foreign Affairs, addressing the Kobe Chamber of Commerce, said : "The Japanese ought to be ashamed of themselves if they cannot force the foreign traders to put up their shutters and betake themselves to climes more suitable to their constitutions." In another speech at the very time when Japan was fighting Russia with British gold he said : "Great Britain is not a country with regard to whom there is room for tariff concessions." When Baron Kiyoura was Minister of Agriculture he told the Tokio merchants : "It is your bounden duty to force foreigners out of any Japanese sphere of interest."

Not only, however, is this desire to force out the foreigner expressed in words but in deeds. In the law courts the discrimination against foreign firms has developed to the point of scandal, and foreigners annually lose tens of thousands of yen without protest rather than throw good

money after bad debts in seeking a remedy at law. As *The North China Daily News* succinctly pointed out, on the occasion of the s.s. *Oriental* and s.s. *Hitotsu Maru* trial, in Japan the law is neither speedy nor just.

It would be interesting to have a list of protests laid by Foreign Powers on account of bounties offered by the Japanese Government to native shippers in discrimination against foreign exporters. One instance, of course, was in the case of tea exports, and another very illuminating one was when a 25 per cent. lower rate of freight was announced for exhibits for the Anglo-Japanese Exhibition in London, if shipped by Japanese firms.

In 1895 it was discovered that the Japanese Government was working two rates of exchange, one for foreign merchants, the other, giving an advantage of 2 per cent., for Japanese importers.

In truth it would be hard to find a more illogical and illiberal policy than that at present pursued by the Tokio officials. A passage from a leading article in the *London Standard* well sums up the situation :

The desire to take it out of the foreigner is confined to no one class in Japan. In no country are judges and magistrates less inclined to show impartiality and even bare justice to foreign claims. No people aim more pertinaciously or more successfully at squeezing out the stranger who lives among them.

It may be thought that I am devoting too much space to the Anglo-Japanese Treaty and the Japanese attitude towards foreigners. My reason, however, for dealing with them at length is that they are both intimately connected with the two fields of Japanese foreign politics which deserve close attention—China and America.

The immediate aim of Japanese policy is a protectorate over China.<sup>1</sup> I say "the immediate aim," because I believe

<sup>1</sup> Writing under date of March 30, 1915, the Tokio correspondent of the *Morning Post* said : " Japan seems to be convinced that her whole destiny is dependent upon her winning the upper hand in China. She believes that she must control China's foreign policy or lose her own position in the Far East. The present is the most opportune moment for coming to a complete understanding with China on this question. Such a chance, say the vernacular newspapers, will not come again for a hundred years."



the ultimate goal is something much vaster. There are two phrases more used than others by the Gwaimusho officials; they are "integrity of China" and "guardianship of China." Their signification to the speaker is the same, but their use is different. The former is for conversation with the foreign diplomats and correspondents, the latter for use amongst themselves.

This idea of a guardianship of China is quite common in Japan. It is freely spoken of as Japan's mission. It has been preached by the Tokio statesmen and clamoured for by the Tokio press and mob. The late Count Hayashi expressed it in the columns of the *Jiji Shimpō*; the late Premier, Count Okuma, has proclaimed it from the rostrum; the present Premier, Mr. Hara, is a champion of it. It is a natural thought amongst the people; it is discussed in the highways and byways, and much speculated on in the Stock Exchanges. The late Mr. Abe, Director of the Political Bureau, was assassinated because of it. Baron Makino, when Foreign Minister, was mobbed on account of it. It is not to the Japanese a thing in the air, but a plain, positive policy which has got to be carried through. After the fall of the Katsura Cabinet in February, 1913, Baron Kato, then Foreign Minister, made a tour through China, and when he arrived back gave his impressions to the newspaper men. Amongst other things he said: "Whenever some Foreign Power obtains a concession in China the Japanese regard it as a trespass on their legitimate rights in that country." To Baron Kato the ideas of his nationals on China were very evident. The day before the late Mr. Yamaza, Minister at Peking, left for his post in 1913, he did me the courtesy of calling on me. We discussed this problem, and in reply to a point-blank question he said: "Yes, we believe we have a mission in China, but of course the press makes too much of it." Shortly after my arrival in Japan in 1912 I had a conversation with the late Captain Brinkley, for so many years correspondent in Tokio of *The Times*. We talked of Japan and China, and Captain Brinkley assured me that the near future would

see Japan possessors of Manchuria and the more distant future masters of China. Brinkley was so Japanophile that I then inclined to believe he exaggerated. I fully believe him now.

The following passage from the late Prince Ito's testamentary instruction to his son, Baron Bunkichi Ito, most clearly defines the authoritative view: <sup>1</sup>

Whether Constitutional Government may work well or not in China, whether she may be preserved or divided, Japan's voice must be first heard and most respected in all matters of the Chinese Empire. No nation will deny this fact. But it is Japan's duty to safeguard not only China but all Oriental nations, including Korea and Manchuria. The domination of the Sea of Japan, of the China Sea and of the Pacific Ocean, is a matter of the most vital importance for our own protection.

After a careful study of Japan's foreign policy I have come to the deliberate conclusion that Japan aims politically at a guardianship of China, at an active leadership of Asiatic peoples, and at the maritime control of the Pacific Ocean. And I am further quite convinced that if the necessity arises she will not hesitate to fight to obtain those advantages.

The verbose talk and the multitudinous promises of maintaining the integrity of China and the *status quo* in the Far East mean nothing. They are not altogether intended as lies. A Japanese has by instinct an intense dislike to saying anything which he thinks will be disagreeable to the person with whom he is conversing. He is inclined to make rash promises, which to him are not rash nor promises, because he has no intention of keeping them. To him they are merely polite interludes in conversation.

The history of Japanese policy in Korea, Manchuria and China is eloquent proof of the same primitive state of mentality amongst her statesmen. As Mr. Ozaki, an ex-Minister of State and a leading politician, and also a highly respected citizen, has said: "Deceit may be pardoned in proportion to the benefits it confers." Viscount

<sup>1</sup> *Prince Ito*, by K. Nakamura, 1910.

Miura said: "Ways and means need not be regarded if the object required is attained"; so he murdered the Queen of Korea.

A study of the cases tried in Japanese law courts gives ample confirmation of my view. Take the Mitsui Bussan forgery case at Nagoya. The local manager of the Mitsui Bank was found guilty of passing Y700,000 of forged bills and, on finding that they were forged, of uttering them again by handing them to other banks. He was convicted and sentence was suspended. On appeal he was acquitted, as his action was considered meritorious in that he had saved his own principals the loss which holding the bills would have caused them. This sounds like comic opera, but it is a solemn fact of 1913 and may be found recorded in the official legal reports.

During the war there raged in Japan an extraordinary anti-British campaign, in the course of which every calumny, from incompetence to cowardice and bestiality, was alleged against the British Army. This campaign began as early as the days of the siege of Tsingtau and lasted right down to the Armistice, with varying degrees of intensity. But it flourished most fiercely during the Premiership of Marquis Okuma and whilst Baron Kato was Foreign Minister. To quote the cynical Heine, "*Dieu les pardonnera. C'est son metier.*" A hint of it appears in Mr. Frederick Coleman's volume *The Far East Unveiled*, but hardly the slightest reference to it appeared, thanks to the Censorship, in the British press. It is doubtful if Britons in the Far East will ever forget the stabs that Japan deliberately gave their national prestige at a time when she was supposed to be our ally in the fight for existence. To-day the tendency in Japan is to let bygones be bygones, but so long as human nature is what it is, British colonies in the Far East will remember the savage and without doubt inspired attacks upon their cause and the treacherous and insulting innuendoes against British soldiers. Equally revolting was the approval by Japan of German crimes against humanity.

The following from the *Official Gazette*, reporting the

proceedings in the Diet on December 12, 1914, is an illuminating example of the lengths to which Japanese politicians will go in their desire to damage the interests of foreigners, even though their allies:

MR. ITO TOMAYA.—The Minister for War has stated that our loyal, valiant and heroic investing army, with the help of the troops of Great Britain, an ally of Japan, caused Tsingtau to fall. I visited Tsingtau myself and examined the place where the Shangtung Railway was broken. . . . Collating what I heard and the conversations of our military officers who had gone before me—I do not know whether it is true or not, as I did not see these things myself—but according to the statement of a certain man, the British troops are indeed fine, really fine. Nevertheless, when rifle bullets were flying about, they seem to have taken a cautious attitude (*shincho no taido*), such a cautious attitude that they did not advance to the front unless Japanese troops went ahead. But when the white flag was once raised over the castle of Tsingtau, and its fall was reported, they are said to have become extremely brave troops. And I heard that they were guilty then of very questionable conduct. This may be rude to repeat of the troops of Japan's ally, but this is what I was told. What I want to know is, to what extent the Minister for War recognized the help rendered by British troops.

THE MINISTER FOR WAR.—In the course of his interpellation Mr. Ito suggested that, in reporting to the House on the operation of the Japanese army, I had stated that it was with the help of the British troops only that our army scored the victory. This affects the honour of our army, and also the honour of the British troops, who co-operated with our army. In reporting to the House the day before yesterday on the operations in Shangtung, I said: "The British troops who co-operated with our forces acted gallantly together with our army." I said this much only, and I wish you to note this.

It might have been thought that the Government would have at least prevented the repetition of such base and scandalous charges in the press, but nothing was done in this direction, and the reiteration by the newspapers of Mr. Ito's malicious and unfounded insinuations formed the subject of much adverse comment in the Treaty Ports and in the Chinese press. It is needless to say that the Japanese vernacular press in China eagerly reprinted the interpellation, obviously with a view to damaging British credit in that country.

When I was in Japan in 1912 I had occasion from time to time to send home extracts from the vernacular papers reflecting on the Anglo-Japanese Alliance and on the desirability of its speedy termination. Invariably when Reuter's Agency published these extracts the Japanese Embassy would minimize their worth as being culled from papers of no importance. Indeed, on one occasion the Embassy branded the *Jiji Shimpō*, *Kokumin Shimbun*, *Tokio Asahi Shimbun*, *Tokio Nichi Nichi Shimbun* and *Osaka Mainichi Shimbun* as being journals of no importance. The *Jiji Shimpō* and the *Tokio Asahi* are the two leading independent journals of the capital. The former was founded by the late Yukichi Fukuzawa, and his son is the present head. Until his death the late Count Hayashi contributed regularly to its columns articles dealing with foreign affairs, and up to the present the paper has been recognized as the leading exponent of the Anglo-Japanese Alliance, to the consummation of which it contributed to no small extent. The *Kokumin Shimbun* is the property of and is edited by Mr. Iichiro Tokutomi, an Imperial nominee to the House of Peers. As related above, Mr. Tokutomi is the champion of the *Hakabatsu*, or White Peril, and therefore it is not surprising that the columns of the *Kokumin* should often contain matter which is not exactly endearing to foreigners. My experience of Mr. Tokutomi, however, never gave me the impression that he was anti-British or anti-foreign. A more courteous gentleman I never met during my stay in Japan, and it needed very little intercourse with him to realize that one was conversing, not so much with an anti-foreigner, as with an ardent and convinced pan-Japanese. I suppose in Europe Mr. Tokutomi would be described as a reactionary. His paper—*Kokumin* means *The Nation*—was the Katsura organ, and is still representative of the bureaucratic idea. But in the 'eighties Mr. Tokutomi was a democrat and acquired literary fame as a publicist of democratic ideals. He derives the tinge of bureaucracy which is associated with him from a recognition of the futility of Japanese democracy as it was after the granting of the constitution.

He is the enlightened democrat. His pan-Japanese attitude is natural from his close association with the clans—he hails from Kumamoto—but even more from his having been the biographer of the Restoration patriot, Yoshida Shoin. The *Tokio Asahi Shimbun* is the *Daily Telegraph* of Japan, with a very large circulation. It is owned by Mr. Murayama, and is without doubt the leading paper of the country. It is, I believe, connected with *The Times* for the purpose of foreign news collection. The *Tokio Nichi-Nichi* was formerly owned by Baron Kato, but in 1910 was purchased by Mr. Motoyama, the proprietor of the *Osaka Mainichi Shimbun* and is to all intents and purposes a Tokyo edition of the Osaka paper. This latter is by far the most influential journal outside the capital and has itself a circulation of some 350,000 copies daily through the teeming industrial districts of Kwansu. There a number of smaller provincial papers are affiliated to it. Whatever appears in the *Mainichi* therefore appears in numerous other papers scattered through the central districts of Japan. These were the papers the late Mr. Yamaza, when Chargé d’Affaires in London in 1912, declared to be unimportant. Of course it was a statement meant for British consumption. Subsequently we discussed the incident, when he returned to Japan, previous to going to Peking as Minister. He laughed heartily when I challenged him to tell Mr. Ishikawa, the editor of the *Jiji Shimpō*, or Mr. Tokutomi that their journals were of no account. “No, no ; I would not,” he said. “But it is not very nice to have such things as you sent reprinted in the London papers.” This was quite true ; but neither was it very good for London to be lending money to Japan, if public opinion, as expressed by its prominent men, was so opposed to Great Britain. However, Mr. Yamaza was one of the most charming as well as one of the most able of Japanese diplomats, and his untimely death at Peking in 1914 was a distinct loss to the amity of nations.

The anti-British campaign during the war centred round the *Osaka Mainichi*, which paper never hesitated to sneer at and lie about this country, without one word of

protest from any Minister or official in Japan. It is interesting to note that Marquis Okuma, in an interview published by *The Japan Times* in March 1916, admitted that representations had been made to him that the anti British press campaign should be stopped by the authorities, but that he had refused "because he did not believe in muzzling the freedom of the press, unless it overstepped the bounds." But he never hesitated to do so when his own policy was called in question! The following are typical examples of what *The Japan Chronicle* described as "The Gentle Art of Baiting Britain:—"

We want to know from Lord Kitchener when the war will really begin. In the Western theatre of war the French troops are holding 543 miles of battle line, the Belgians 17 miles, and our ally, Great Britain, only 31 miles. While Germany is holding the whole Western front, in addition to the tremendous length of battle line against Russia, our brave ally, England, is holding less than twice the battle front held by little Belgium. We want to know when the war will really begin.—*Osaka Mainichi*, March 11, 1916.

There is more about the ineffective cry for the saving of small nations and the world being tired of Lord Kitchener crying "Wolf!" and doing nothing.—*Japan Chronicle*.

Although the final outcome of the present war is not known, there can be no manner of doubt that it will result in more or less loss of prestige by Great Britain. Prior to the outbreak of war no one doubted her predominant influence in Europe, but now people have begun to doubt her strength and stability. At present the safety of Suez and India is threatened, and the loss of British influence in the East is apprehended. The British at home retain the air of gentlemen, but once abroad their attitude towards other people becomes so hard and cold that the British are called by some an "awful people" when out of their country. So long as the British are feared and respected, people will submit to their authority, however insistent, but when their strength begins to be doubted, what was right before will be regarded as an unreasonable demand. The British traits may be described as an illogical conglomeration. They combine the qualities of being either quick, slow, conservative or progressive according to circumstances. Sometimes they have recourse to up-to-date, brand-new machinery, while at others they are satisfied with inventions half a century old. These inconsistencies have hitherto been considered as proof of the greatness of the British people. It is true that Great Britain was foremost in implanting her influence in the Far East, but it does not necessarily follow that her influence is still predominant as in the days of

yore. To Great Britain still remains the mastery of the sea, and she governs a vast extent of colonies, over which the sun never sets, more by means of the inertia of the past than by other factors, while the real state of her internal affairs is becoming more and more clear every day. It will be interesting to inquire into the degree of friendship existing between the British and Japanese peoples at present as compared with the time when the Anglo-Japanese Alliance was first signed. Has the British Embassy made any attempt to come into closer touch with the Japanese people during the interval? Many ambassadors, secretaries, and military attachés have come and gone during these years, but most Japanese have been supremely indifferent regarding these changes of British diplomatic officials. Members of the Embassy staff may be very usefully employed—besides conducting communications between the respective Governments—in bringing the relationship of the peoples of both countries into closer touch. How is the spread of pro-German sympathy among the Japanese—despite the fact that nominally they are at war with Germany—to be explained? Among other factors the lack of social intercourse between British and Japanese may be mentioned as responsible for this state of affairs. Even among the citizens of Tokio the number of those who know the name of the British Ambassador is very small. These things, however, may be ignored for more important affairs that claim attention. Japan is desirous of extending her influence in East Asia as much as Great Britain is jealous of maintaining her ground. Impartially speaking, however, it may be considered that the British attitude towards Japan is too nervous and stringent. That Great Britain should strive for the maintenance of her interest in the Yangtze Valley is not surprising, but it is inexplicable that the British should try to build a parallel line to a proposed Japanese railway in China,<sup>1</sup> and to induce the Chinese to publish articles that will inflame anti-Japanese feeling among them.<sup>2</sup> International relationship is based on actual power. If Great Britain is sufficiently strong and powerful, Japan will be obliged to regard the Anglo-Japanese Alliance in the nature of a favour, and will not raise a finger for the expansion of British influence in East Asia. So long, however, as both countries exercise a similar amount of power in the spheres over which the Alliance has control, it will be necessary for Japan's ally to map out her policy accordingly. At the present moment especially it is not opportune for Great

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<sup>1</sup> See page 48.

<sup>2</sup> The reference is to *The National Review*, Shanghai, a pro-Yuan weekly. Compared with the *Junten Jiho*, a Japanese paper published in Peking, of which Count Okuma boasted that it was "so rabidly anti-Yuan that Chinese officials were afraid to show it to the President," *The National Review* was milk and water.



Britain to make light of Japan's claims in the political arena in the Far East.

Although the British in Japan are free from any connection with objectionable agitations, their countrymen in China would seem to regard an anti-Japanese movement as part of their regular, legitimate business. The Anglo-Japanese Alliance mainly relates to China, and *the greater the consideration paid by Japan to India, the more should be the British concessions to Japan as regards China.* In spite of this, the British in China appear to be as assiduous as ever in their anti-Japanese propaganda. Of course the British Government cannot be directly held responsible for this state of affairs, but some action by the Government would have a salutary effect in checking the spread of the anti-Japanese campaign in China engineered by the British.<sup>1</sup> It is desirable that the British should be sufficiently penetrating in their power of observation of the world, and map out their national policy accordingly. The British in the East seem to believe in the great power of their navy, though the British naval power does not appear to be so effective as it was thought to be by many, as will be seen from the danger to which the Suez Canal is exposed. Financially speaking, Japan is an insignificant country, in comparison with Great Britain, but in the East she is stronger than any of the European Powers. At least, until the present belligerents recover from the wounds inflicted by the war, Japan will continue to retain her paramount position in the East. For this reason it will not be advantageous for a country already allied to Japan to sever the bond at the present moment.—“*Nippon-oyobi-Nipponjin*,” March 1916, an important economic political fortnightly edited by Dr. Miyake Setsurei, who is one of the leading figures in Japanese thought and journalism.

The Okuma Cabinet must be very pleasing to England, for it is likened unto the man who turns his left cheek when his right one is smacked. It is, however, very displeasing to us Japanese. Okuma must go, if he undergoes another humiliation. A British column under General Barnardiston co-operated with us at Tsingtau, the Australian navy co-operated with us in the capture of the German islands in the South Seas. We neither needed nor wanted any co-operation at all. Britain should have concentrated her forces all in Europe. But Okuma yielded. And more than that. Okuma signed the non-separate peace treaty while he declared it not very necessary for Japan. From time to time Japan's action in China has been bound by the British authorities, but Okuma has kept silent. Indian political offenders in Japan are arrested by our police at the request of England, who has always been proud to protect foreign political offenders. And now many Japanese

<sup>1</sup> Cf. Marquis Okuma's action, *vide* page 27.

merchantmen have been searched unlawfully by an English warship in the Chinese waters.<sup>1</sup> In a word, it seems that there is no Anglo-Japanese Alliance in the British eye. Okuma is as brave as a lion before our countrymen, vapouring empty words of so-called "high ideals," while he is as weak as a lamb before England, being always as silent as death about the disgraces against our national honour. We never ridicule small enemies, and are never afraid of big ones. National honour is more than wealth or power.—"*Osaka Mainichi*," March 1916.

The British attitude towards the Japanese at present is the outcome of the subordinate position with which Japan has been content for many years past. The extreme respect in which the Japanese have been holding Great Britain and her people has been reciprocated by the latter by a manifestation of contempt, and the heaping up of unreasonable demands. Still, the Japanese Government has been only too glad to serve Great Britain like a beast of burden. There was a time when this policy was convenient to Japan and gained her some advantage, but it is the strong point of British diplomacy to take much and give little. Instances may be cited of the foreign policy of the present Government constantly subordinating Japan's interests to those of Great Britain; first may be cited the consent by Japan to the participation of British troops in the Kiaochow expedition, though there existed no necessity; secondly, the limitation at first put to the sphere of activity of the Japanese Navy in the Pacific; thirdly, the subscription to the no-separate-peace compact with such haste as to leave no time to go through the process of obtaining the approval of the Privy Council, though the Government declared that it saw no necessity for the convention; fourthly, Japan's plans in China have always been frustrated by British obstruction; fifthly, the Japanese Government was ready to surrender Indian political offenders in Japan to the British Government at the request of the latter; sixthly, the surrender of Indian passengers on the *Tenyo Maru*. These are some of the most notorious instances of the slavish submission that the Government has shown towards Great Britain. It is not surprising, in view of such past records, that British warships should act in such a high-handed manner towards Japanese steamers.—*Osaka Mainichi*.

The insult to the Japanese flag by a British warship and the

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<sup>1</sup> Stoppage and examination of *Tenyo Maru*, *Kamakura Maru*, *Chikuzen Maru* by H.M.A.C. *Laurentic* and removal of Indian conspirators therefrom. Cf. *Nigretia*, *Oldhamia* and *Sydney* cases in Russo-Japanese War. The action of the *Laurentic* was due to Japan not having herself taken over the patrolling of Far Eastern waters, as Count Okuma stated that Japan's share of the war ended at Tsingtau, and thereafter she was a

consequent indignation aroused among the people should primarily be attributed to the weak and vacillating policy pursued by the Government towards Great Britain. Probably the Okuma Government thinks that Japan must be prepared for such humiliations as these at the hands of the British if she wishes for the maintenance of the valuable Anglo-Japanese Alliance. So long as such a Government remains in power in this country, British warships will continue to treat Japanese merchantmen outrageously.—“*Yomiuri*,” edited by Mr. Y. Motono, brother of the late Baron Motono, then Foreign Minister.

The following summary from *The Japan Weekly Chronicle* of July 8, 1915, gives a good bird's-eye view of the attitude of the Japanese Press during the earlier stages of the war :

We pass without comment a letter declaring that the British troops “took up a position in the siege of Tsingtau, where neither shell nor shot could reach them.” The *Asahi*, in a recent issue, makes very sneering references to Kitchener's army being kept safely in Britain, where it is secure from German attack, while the French are doing all the work and making all the sacrifices. The *Chuwu* is one of the lugubrious ones to find Italy the worst of an incompetent lot of Allies. The *Kokumin* says that the German submarines have rendered the British Navy worthless. The *Yorodzu* feels (and quite rightly) that enormous efforts are needed to overcome the military power of Germany. The *Yamato* absolutely revels in the disasters to the Allies' arms—meets them halfway, in fact—openly admits that Japan has backed the wrong horse, but does not suggest a withdrawal—urging, rather, that its original advice be taken and a Japanese army sent to Europe to drag the Allies out of the hole. The *Yamato* also deals at some length with the alleged half-heartedness of the British efforts, and confesses that the thought of how this will affect opinion in France and Russia gives us a chill. It is rather curious that the *Asahi*, so insulting regarding Kitchener's army, finds the Coalition Cabinet altogether admirable, though the *Nichi-Nichi* sees in it the death-knell of Constitutionalism in England. Such are some of the recent expressions of opinion by leading Japanese papers. Perhaps, like the *Mainichi*, they all intend to be very friendly, but, taking them on the whole, a reader who had been in retirement since last July would hardly guess from their perusal that Japan was at war (if at present only nominally) on the side of the Allies.

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semi-neutral. Baron Kato also stated that there was no *casus belli* requiring Japan to take further action against Germany. It was a good thing for the Allies when Count Terauchi became Premier.

These few extracts—and they are only a few out of many hundreds that could be cited covering the five years of war—will give some idea of the affection with which the British are regarded by their Far Eastern Allies. The reader who desires further evidence may study with advantage the chapters dealing with the subject in Mr. Frederick Coleman's *The Far East Unveiled*, or he may turn for the *ipsissima verba*, especially of the more gross insults, to the files of the foreign press of Japan and the Treaty Ports.

It cannot be too plainly emphasized that the Japanese are to a very great extent opportunists, and further that they are utterly incapable of seeing any other side to a case except their own. To a certain degree they are children, and especially in political affairs is this very true. They claim a destiny in China. They mean to fulfil that destiny whatever it costs them, and the person or the nation which stands in their way is the object of rancorous dislike, fierce invective, and energetic intrigue.

On the other hand, I do not suggest that it is improper of Japan to claim a destiny or mission, or whatever else they like to call it, in China. I do not even suggest that the steps they have taken are improper—from the Japanese point of view. "My country right or wrong" is a first-class motto, and the Japanese live up to it. Whether their view is right that Japanese control of China is a good thing for Japan or China is another question, on which every one is entitled to his own opinion. History has taught us that where Japan goes in other nations have to get out. Consequently, from a purely selfish point of view it is not to the advantage of Great Britain, commercially or politically, to assist or encourage or permit Japan to obtain any further hold over China. As for her attitude towards this country during the war, it hardly displays *bushido* in a favourable light, though probably in a true one. *Bushido* was a virtue invented by the Japanese Press Bureau for the conquest of Europe in the early years of the twentieth century! The Anglo-Japanese Alliance is revered and respected in Japan as long as it can be used

as a stepping-stone in China, and that is what Baron Kato meant in his speech at Kobe on May 7, 1916, when he said :

The Anglo-Japanese Alliance will remain, in the future as in the past, the shaft on which the wheels of Japanese diplomacy revolve. I have frequently been accused of being partial to Great Britain, but I may claim without fear of contradiction that while I held the portfolio of the Foreign Office I insisted on the advancement of Japanese interests abroad more strongly than any other Foreign Minister ever did. In short, the promotion of Japanese interests was my aim rather than the conciliation of Britain or any other country. No better policy is open to Japan than to take part in the future Peace Conference of all the Allies in the war with the Anglo-Japanese Alliance as a basis of action. Frankly speaking, Japan is not such an enormously strong Power as some conceited patriots believe. For purposes of diplomacy her strength must be judged by impartial, unbiased men, well versed in affairs. If the Japanese behave in a selfish and overbearing manner they may become disliked and incur the antagonism of the world, like Germany.

The Baron was a sure prophet. The Anglo-Japanese Alliance and the Secret Treaty was the basis of Japan's action at the Peace Conference, and incidentally knocked the bottom out of President Wilson's Fourteen Points. The Japanese have become selfish and overbearing, and are not exactly liked in consequence.

The difficulty in dealing with all Japanese political questions is to know where to draw the line between public and official opinion. Count Hayashi, in a significant passage in his *Memoirs*, says :

The public in Japan is rather cool in its interest in foreign affairs, indeed I could almost say it is indifferent. When, however, something happens that forces the public to pay some attention to foreign affairs, then at once the public seems to get intoxicated, as though drunk with alcohol, and it behaves as if it were not able to discriminate, just as an intoxicated man cannot tell the difference between *sake* (rice beer) and water.

But when it comes to a prolonged campaign, as the anti-British campaign, the difficulty is removed. The control of officialdom over the press is so complete that it

must be assumed that the press published what the Foreign Office desired and inspired at its weekly interviews with journalists. And this conviction grows when to the press campaign is added the utterances of distinguished officers, as General Tanaka and Major Yamamoto, and the point-blank refusal of the Government to adopt steps to stop the trouble.

It would take far too much space to trace the history of the Korean trouble previous to the Russo-Japanese War. Besides, it is on the Anglo-Japanese Alliance and the numerous treaties and conventions which are pendant thereto that present day Tokio policy is supposed to hinge.

In the first Treaty of Alliance Japan merely got from Great Britain a watching brief over Korea, whilst explicitly and categorically declaring that she had no aggressive tendencies on that country. Nevertheless, nobody reading Count Hayashi's narrative of the negotiations can restrain a suspicion that ultimate annexation was even then the Japanese prescription for the invalid Hermit Kingdom. In the same treaty an aggressive tendency in China was also solemnly denied.

None the less, as the result of the Russo-Japanese War, the Treaty of Portsmouth conveyed to Japan the whole of Russian interests in Manchuria and Kwangtung, the Russian base of Port Arthur and, so far as Russia was concerned, a free hand in Korea.

Immediately afterwards Prince Ito went to Seoul, and by the Treaty of November 17, 1905, under a two-hour ultimatum forced the King to place Korea under the protection of Japan. That was the end of independence in Korea.

The following month the Treaty of Peking was signed, resettling the conditions in Manchuria, as between China and Japan. This treaty is of very great importance for three reasons. Firstly, China wished to cancel the leases of Port Arthur and Dalny altogether and to buy up the Chung Kiang to Port Arthur Railway. The money would have been advanced by a German loan. This offer was promptly refused by Japan, a course which

hardly agrees with the gentle denial of aggressive tendencies mentioned in the Treaty of Alliance with Great Britain. But it was excusable on the supposition that a German loan might have been followed by a German occupation. Secondly, Article II provides that any controversy arising out of the interpretation of the Treaty shall be *decided by Japan*. Thirdly, Japan subsequently claimed that a secret treaty had also been signed consisting of sixteen articles, some of which gave Japan peculiar benefits in Manchuria and seriously curtailed Chinese sovereignty, both in contravention of Articles III and IV of the Treaty of Portsmouth and seriously infringing the doctrine of the "open door and equal opportunity" which she had solemnly promised to uphold. From the evidence in the possession of the State Department at Washington it is clear that no secret treaty ever existed, and the Japanese claim to one was a deliberate misrepresentation. The Treaty of Peking ended Chinese sovereignty in Manchuria, and conclusively proved Japan's aggressive tendencies in China.

The renewal of the Anglo-Japanese Treaty took place in August, 1905 (August 12th), though it was not actually published until some weeks later, as in the view of the British Foreign Office its publication immediately on signature would have prejudiced the negotiations at Portsmouth.

The second Alliance Treaty is in several important respects strikingly different from its predecessor. To begin with, the preamble expressly extends the operation of the Alliance from China to the whole of the Far East and India, a stipulation for which the British Government had asked in the negotiations for the first treaty, but which the Japanese had then refused.

Korea, the bone of contention and ambition, is omitted, nor is there any further denial of aggressive tendencies in China or Korea.

The doctrine of the "open door" and the territorial integrity of China was again placed on the altar for mutual adoration, doubtless with tongue in cheek, and by the

next and concluding clause of the preamble heftily bludgeoned into oblivion, for the third object is declared to be "the maintenance of the territorial rights of the High Contracting Parties in the regions of Eastern Asia and India and the defence of their special interests in the said regions."

Article II of the second treaty contrasts strangely with Articles II and III, the *casus fœderis* articles of the first treaty. In the earlier instrument the power is reserved to either party to declare war, in which case its co-signatory shall hold the ring; in the latter document, the *casus fœderis* clause, like that of the Triple Alliance, only becomes operative in the event of either party being wantonly attacked, a condition which is credibly reported to have created difficulties in 1914, when Great Britain declared war on Germany.

Article III specifically transfers Korea to the "guidance, control and protection of Japan," in view of that country's paramount political, military and economic interests there. Whatever Japan's political and military interests in Korea were, her economic interests were mostly potential, for in 1904 Britain controlled 35½ per cent. of the direct trade; and without doubt a considerable proportion, probably 50 per cent. of the alleged Japanese imports (40 per cent. of the whole), originated in England, whilst most of the Chinese imports, especially cotton goods, came from Great Britain. At that time Mr. Putnam Weale calculates that Korean foreign trade amounted to ten shillings per head, or Y52,240,974. This market was handed over to Japan by Lord Lansdowne, presumably as an *omegake* of the war, in spite of the usual meaningless formula of the open door, which was attached to the transfer.

The total value of Korean trade in 1913 was officially stated as Y102,459,191, of which Great Britain dealt with only Y7,780,029. American trade at 7·9 per cent. of the total has remained about stationary in percentage, but has practically doubled in volume, since 1911. This has been in part due to the Pacific freight problem and



partly to the demand for material and rolling stock for the Korean and South Manchurian railways. The Japanese share of the trade has risen from a doubtful 40 per cent. to 77 per cent. Whereas before the war four nations, Japan, China, Britain and America, controlled the Korean markets, Japan now has exclusive control, the other nations receiving what crumbs may be thrown to them.

The covering letter written by Lord Lansdowne to Sir Charles Hardinge, H.B.M.'s Ambassador at St. Petersburg, when he officially sent a copy of the treaty for conveyance to the Russian Government, laid particular stress on the contents of the second and third articles. In explaining the change in the British Government's position in regard to Korea, the Marquis said: "The new treaty at this point no doubt differs conspicuously from that of 1902. It has, however, become evident that Korea, owing to its close proximity to the Japanese Empire and its inability to stand alone, must fall under the control and tutelage of Japan." Japan had paid the price, and now had the pleasure of receiving the reward. The course of entanglement which entered into British foreign policy with the second Anglo-Japanese Treaty has been continued with disastrous results right down to the present time. The sensation of giving other people's property away is no doubt a pleasing one, especially when the gifts are kingdoms and empires, but nobody can say that it is either honest or polite; whilst the argument that proximity gives possession is one which is false to every instinct of decency.

## CHAPTER II

### JAPAN'S REAL POLICY IN CHINA

“The only nation which has no concessions in China is the Chinese.”  
—*Dallas Press*.

THE more recent history of the West with China may be conveniently divided into three periods. The first, which ended about 1900, has been identified by the late Lord Salisbury with the scramble for concessions. A Chinese writer has called it the “era of unashamed theft.” It was mile-stoned by the various leasing arrangements, as those of Kiao-chau, Wei-hai-wei, Port Arthur and the Chinese Eastern Railway. The second period was one of concentration, when the various Powers took stock of their situation and endeavoured to diplomatically strengthen their positions. Marked by the Anglo-Japanese Alliance and the Russo-Japanese War, it eventually resulted in the Powers tacitly, if not actually, conceding to Japan the leadership of Far Eastern affairs. The third period, sometimes described as that of the policy of spheres of influence, was really one of beneficent theft. Under the euphemism of preserving China vast stretches of that Empire were to all practical purposes lopped off and pocketed by the various Powers, though nominally still adhering to the Chinese system. This was the period of Japanese domination.

By the second Anglo-Japanese Treaty of Alliance Great Britain made Japan, in theory at least, a co-guardian of British interests in the Far East and in India, but in fact sole guardian in the Far East and co-guardian in India. When the Treaty of Portsmouth had been signed, the

Korean question as far as practical international politics was concerned, had vanished. Lord Lansdowne, in a letter to Sir Charles Hardinge, had consigned that country's affairs to the limbo of closed incidents. The manner of the passing of Korea does not matter much here. Korea was merely a means to an end, a very small step forward on the path of the Japanese hegemony of Asia. By 1905 the polite fiction of Korea's independence and integrity had disappeared and is only remembered to-day in Tokio as one of the things which it is not considered polite to refer to. It is only worth recalling here in order to note what weight and what importance attaches to the solemn promise of a Great Power, though indeed many more striking evidences have been produced since. Unless vital interests are immediately concerned, the guarantee of a Great Power to maintain the integrity and independence of a small nation no more means that that integrity and independence will be maintained than the cowl of a monk connotes a love of monastic habit. Lord Lansdowne's apologia to Sir Charles Hardinge that Korea was unable to stand alone or to govern herself only incites a request for information as to any year, day or month during the previous half-century that Korea ever had had the opportunity of standing alone or of trying to govern herself without interference from one or other of her powerful neighbours. The modern history of the Hermit Kingdom is strangely reminiscent of a picture of a number of louts squabbling for the privilege of throwing an indifferent-looking cur into a horsepond. Yet, if a lout does throw a cur into a horsepond he gets a thrashing or goes to prison. But if a stronger nation throttles a weaker one, the former goes down to history as a thriving, adventurous and energetic race.

The student of Japan's foreign policy after the Russo-Japanese War will find his task much simplified if he early realizes two points. The first is the Japanese comprehension of the "open-door" policy. It means open to Japan and closed to everybody else. That this is so is amply proved by reference to Korea, Manchuria, Eastern

Mongolia and the industrial and tariff policies of Japan within her boundaries. Questions have been repeatedly asked on this matter in the House of Commons, but have as a rule only succeeded in extracting from Ministers vague and stereotyped replies that the matter is under negotiation. Exclusion is the Japanese motto both in Japan and wherever on the mainland Japan is able to obtain control. It is immaterial whether the object aimed at is attained by diplomatic pressure, by prohibitive tariffs or by preferential railroad and steamship rates.

In 1912 the Japanese Government resolved to abolish the duty on Korean rice imported into Japan. This duty had been imposed, previous to the annexation of Korea, as an ordinary Customs measure to raise revenue and to prevent Korean rice competing with Japanese in the home markets. When Korea was annexed the Japanese Government published a voluntary undertaking that neither import nor export duties on goods to or from Korea should be changed for ten years from the date of annexation. This was intended to soothe the susceptibilities of those Powers who might see in the annexation the extinction of foreign imports. When the rice duty was abolished, I telegraphed to London and a question was asked in Parliament. The British and the French Governments filed formal protests with the Japanese Foreign Office, and received the following explanation :

The Imperial Japanese Government, when it gave an undertaking at the time of the annexation of Korea that the import and export duties should not be changed, understood thereby that by *changed* should be meant *raised*. The Imperial Japanese Government cannot agree that it is debarred by this declaration from lowering or even abolishing any of the duties.

As I had both written and telegraphed to England with regard to the Japanese action, I was invited to interview Mr. Sakata, the Director of the Commercial Bureau at the Foreign Office. He gave me the above explanation, but he would not agree that the removal of the duty on Korean rice was equivalent to penalizing imports from

Saigon and Rangoon by the amount of the duty removed. That before the abolition rice from Korea, Burma and Cochin-China stood on an equal footing and that afterwards Korean rice had a substantial advantage was, or appeared to be, incomprehensible to the authorities.

In the Annual Report of the British Consul-General for Korea, published in June 1914, Mr. A. H. Lay wrote in connection with a reduction of freight and customs on Japanese goods entering Manchuria via Korea :

The effect of the reduced Customs duties at Antung in actual practice is to give preference to Japanese goods only, for any other goods which attempt to enter Chinese territory by this route would first of all have to pay duty on entering Korea.

The rate referred to showed a preference to Japanese goods of 15 per cent.

Both Britain and the United States have recognized the importance of attempting to support their nationals in a country from which Japan is bent on excluding them. The British Vice-Consulate at Antung has long been closed, and in March of 1915 the United States withdrew their Consular representation from Newchwang, the port of entry of Manchuria, and, before Japanese intrigues became serious, the most important mercantile centre in the Gulf of Pechili.

The British China Association, the American Association of China and the various foreign Chambers of Commerce have repeatedly filed protests against the Japanese policy and action. At the annual meeting of the Shanghai Foreign Chamber of Commerce the Chairman said :

With reference to preferential railway rates in Manchuria, we continue to press for "open-door" treatment; but so far the Japanese authorities have met us with what can only be described as statements of an evasive nature.

It is only astonishing that after ten years of Japanese activities in Manchuria and other parts of China any sane commercial man should expect statements from

Tokio of other than an evasive nature. The American Association of China has put on record in its report for 1914 the worthlessness of the "open-door" policy in Manchuria, as practised by Japan.

The text of the reference in the Report of the Committee of the American Association of China was as follows :

Turning now from trade in general to some particular considerations—what is the outlook? American cottons formerly held a premier position in Manchuria. Under Russian occupation every nation stood on an equal footing in Manchuria. The same duties and charges were assessed against all, and facilities for distributing goods and doing business in general were satisfactory. Now it is all changed. Under Japanese administration, no chance to advance its own trade is overlooked, and to competitors the means taken appear to be a departure from fair trading. In fact, they constitute a most serious violation of the "open-door" principles on which the diplomacy of the United States in China is based. Japanese competition takes the form of a system of rebates, not only in freight and steamer rates, but in remission of duties and charges which are assessed against all other nations. In addition to this, many forms of petty annoyances have been worked out for the non-Japanese trader, and the imitation of established trade marks is common.

Now that the Japanese are in Shantung, not the mere foothold that the Germans held in Tsingtao, but with an apparent determination to dominate the province, the same tactics may be expected, since it would be exactly in line with the course employed in Korea and Manchuria. With Dalny on the northern promontory and Tsingtao on the southern, Japan has secured a potential control of the trade of North China from the Russian frontier to the Yangtze, upon whose valley her traders have long cast covetous eyes. In this connection it will become apparent that not only ourselves, but other nationalities, face a loss of trade.

Mr. George Pauling, whose firm is well known as having important railway construction interests in China, writing to *The Times* on July 23, 1914, said :

It is a well-known fact that in October 1909 the Chinese authorities granted an Anglo-American concession for the construction of a Chinese Government railway from Chinchon to Aigun, via Tsitsihar. At the time the concession was negotiated Japan's claim to special and exclusive privileges had not been extended beyond the Liao River, a boundary recognized in the Hsinmintun-Mukden Railway

Agreement (May 1907) as the natural limit of her claims. Nevertheless, China's right to build this important line has now been vetoed by Russia and Japan, and the British Government has been led by the exigencies of the political situation to acquiesce in that veto. If it be true that no British railways, other than a short Peking-Mukden line, are now contemplated in the Japanese sphere of influence, it is true only because China's sovereign rights have been tacitly abrogated through a district as large as our Indian Empire, and because British subjects are no longer entitled to exercise therein their legitimate treaty rights or to claim protection for their legitimate interests and business.

The reader may ask why this country, which, under the first article of the Anglo-Japanese Alliance (1911) is a tacit partner in every move Japan makes in China, has silently acquiesced in this negation of her subjects' rights. The answer is that the British Foreign Office bartered British interests, lives, liberties and fortunes against Japan's support, when the day of trial should come in Europe. How that support was given is quite another story! It is at least a pity that Sir Edward Grey did not advise his countrymen of his intentions, and thereby save them much time, money and wasted effort. If, for example, Sir Conyngham Greene, H.B.M.'s brilliant and energetic Ambassador at Tokio, instead of speaking about "the Empire which watches over us, you and me and each one of us," on October 31, 1913, at the British Association dinner at Kobe, had said, "Friends, Britons and fellow-citizens, owing to the diplomatic situation in Europe our Government instructs me that it finds it advisable not to press our treaty rights in the Far East, but be as good as you can be whilst losing your money to our noble allies," it would have been much more to the point. For, after all, carried to its logical conclusion the British attitude was correct. In Europe Britain had to plan and later to fight for existence. Against this, local interests as railway concessions and the other *obiter dicta* of China's development could weigh as nothing in the balance. Chatham and Pitt founded the British Empire on the battlefields of Europe, and it was reasonable to expect that the concessions for the railways of Manchuria, Mon-

golia and the Yangtze would follow the victories on the Eastern and Western fronts. But where the insignificant British subject has just cause of complaint is that, having sacrificed British interests all over the world in vain attempts to placate Germany and to tie Japan to us, when the inevitable war came we were practically unprepared in Europe, and in Asia we had to start bribing Japan all over again. Before the catastrophe the troglodytes of Downing Street had struck "war" out of their dictionary: when it broke out they hurriedly re-inserted the word and, performing an acrobatic somersault, said, "Oh, we knew it was coming." The long-suffering taxpayer, inured to the effeteness of our diplomacy, has not got the backbone to say, "Then why the devil didn't you prepare for it?" The late Baron de Reuter, recluse as he was from society but closely in touch with affairs, wrote only too truly, "as for a strong man, British diplomacy does not know one."

The second point for the student to grasp is the Tokio interpretation of "rights," "interests" and "spheres of influence." When Japan was only an island nation she had, or rather she claimed that she had, rights and interests in Korea. When, after the Sino-Japanese War, she acquired Formosa, those rights spread as fast as the mumps to Fukien on the opposite shores of the Formosa Channel. When she absorbed Korea, the rights and interests automatically expanded to Manchuria and Kwantung. As these districts fell into her hands the rights and interests went still farther afield to Mongolia, Chili and Shantung. It is a definite claim in Japanese foreign policy that Japanese rights and interests are not confined to territory in her occupation or within her exclusive sphere of influence, but extend to all territories abutting on or adjacent thereto. This is quite distinctly expressed in the Franco-Japanese Agreement of 1907 and in Count Hayashi's comment thereto,<sup>1</sup> Although not Christians, the Japanese most firmly approve of the text: "To him

<sup>1</sup> See *The Secret Memoirs of Count Hayashi*, Eveleigh Nash, London, 1915.



that hath, shall be given." Japan's China policy can only be likened to cerebro-meningitis. It has no visible origin ; it spreads rapidly ; is ultra infectious ; the mortality is high, and there is no cure, unless taken in the earliest stages. If other nations affected the same standard of morality—and it seems to have taken quite a hold at the Versailles Conference—there would be a world-war every twelve months. Great Britain would demand a big slice of France and Belgium and in a few years would be in course of swallowing the rest of these two countries. Russia would long ago have absorbed Turkey, Asia Minor and most of the Balkan States, not to mention Sweden, Norway and Denmark. Japan and Germany are the only two Powers who consistently have endeavoured Imperial expansion, on the plea that *tuum* should be *meum*. It is purely a policy of might divorced from right, and its record in each case has been a volume of blasphemies against the treasured aspirations of individual nations and of national individuality.

Japanese imperialism is often discussed by foreign writers as though it were something new. It is not. It does not date from the Russian War nor from the Chinese War. It goes right back to the Restoration and before it. Expansion abroad was one of the definite objects of the dissentient *daimyo*, who engineered the fall of the Shogunate. The letters of Yoshida Shoin, one of the *yonin* of Choshi, and the greatest mind of the Restoration movement, clearly indicate overseas expansion as one of the main goals towards which the *daimyo* should aim.<sup>1</sup> The occupation of the South Sea Islands, finally achieved in 1914, can be traced back to 1854 and probably earlier, whilst Japan's ambitions in Korea date well back to the Middle Ages. The signature of the Treaty of Portsmouth (1905) terminated the Russo-Japanese War. Although the terms of peace were in a measure highly unsatisfactory to Japan and were forced on her by her own

<sup>1</sup> Yoshida Shoin was executed in 1859 for conspiracy against the Shogun, and so failed to see success of the movement he had done so much to inspire.

difficult military and financial conditions, she attained under it the complete control of Korea and, what was far more important, in view of her ultimate objective, concessions in Manchuria, which gave her potential grounds for future interference in the internal affairs of China. If the immediate cause of the Russo-Japanese War was the final disposition of Korea, the fundamental cause was the right to dominate Manchuria.

The Katsura Ministry which had negotiated the Anglo-Japanese Alliance and conducted the war with Russia went out of office shortly after peace had been signed, and was succeeded by a Cabinet presided over by Marquis Saionji. The latter accepted office under contractual relations with Katsura to carry out the bureaucratic programme. It was in ignorance of this agreement that Baron Kato accepted the portfolio of Foreign Affairs, and it was on learning of it that he resigned office. He was succeeded by Count Tadasu Hayashi, Imperial Japanese Ambassador at London. As Vice-Minister during the Chinese War, as Minister at Peking, St. Petersburg and London, Hayashi had had much to do with shaping Japanese policy, though probably not so much as he himself claims.

When he was transferred from the Embassy at London to the *Gwaimusho* (Foreign Office) Hayashi determined to lay down new lines along which the foreign policy of the country should be conducted. He was no enthusiastic supporter of the clan statesmen who had hitherto run Japan. As a diplomatist it was natural for him to rank his own profession at least as high as the military profession, and he intended to make the army and the navy the servants of diplomacy instead of diplomacy being their servant. Hayashi fully appreciated the suspicion of Japanese aims that was rife throughout the Far East and which was making itself widely heard through Europe and America. His objects were identical with those of the militarists, but his methods were widely different. Before his regime at the Foreign Office the use of commerce and industry as a means of political expansion had been but

little developed. He saw in a commercial and economic campaign in China an invaluable aid to, and in certain spheres a substitute for, diplomatic activity. His policy was to combine the two, and to reinforce their advance by agreements with the various Powers, which should give Japan control over every other nation's affairs in China. As a final resource Japan had the mailed fist of a powerful army and navy.

The Western Powers, by the series of treaties and conventions with Japan which followed the Russo-Japanese War, and for nearly all of which Hayashi was directly responsible, recognized the predominant position of Japan in the Far East and her accession to the ranks of the Great Powers. By those agreements Japan accepted in theory a common policy with the Western Powers of an independent China, guaranteeing the integrity of that country and the policy of equal facilities for all nations. The fate of China was determined by a series of agreements, to which she was not a party, agreements contracted by one Power after the other with Japan. The last-named country became the trustee of Europe and America over China. The map of China to-day is a cynical comment on this policy, which was originally proposed by the French Minister at Peking, M. A. Gerard, and finally achieved by Hayashi.<sup>1</sup>

Although Hayashi only held office for less than a couple of years, his policy remains the guiding string of the Tokio Foreign Office to-day. The political control of China by economic penetration and diplomatic aggression is the main thought of Japanese statesmen, soldiers, politicians and capitalists. The whole forces of national credit, intelligence and enterprise are mobilized under the Government and focused on the Chinese objective. Japan stands or falls by her success or failure in the effort. Herself she has few national resources, no great stock of money, little coal, no iron, and not even sufficient food to fill her own people's stomachs. Without raw material, with a

<sup>1</sup> *Ma Mission en Chine*, par A. Gerard, Ambassadeur de France. Paris, 1918.

considerable national debt, the service of which falls on the lower classes, living largely on borrowed capital, Japan stands little chance of industrial survival unless she can obtain in China the source of the raw material of her industries and a consumer for the finished article. Barrow obtains huge quantities of iron ore from Spain, but we have annexed no portion of that country, nor do we desire to. But China is as necessary to Japan, according to Tokio economic theories, as a trunk is to an elephant.

Industrial and political expansion, then, are the two prime objects Japan has in view in China. The first without the second she cannot have; the second without the first she does not want. Without a political pull her markets would indeed be limited; without markets her political ambitions would soon land her in the international equivalent of Carey Street.

The three tactics employed by Japan to carry through her general strategic scheme are direct attack by diplomatic channels, indirect attack by financial channels and *agence provocateuse*, the incitement of internal commotion amongst the Chinese themselves.

The Fa-ku-Men Railway incident affords an illuminating example of the first method. In November 1907 the Chinese Government signed a contract with Messrs. Pauling and Co. for an extension of the Imperial Chinese railways northwards from Hsin-min-Tung to Fa-ku-Men, the necessary capital for the work being found by the British and Chinese Corporation. Japan protested against the contract to both the British and Chinese Governments, basing her protest, firstly, on an alleged secret protocol annexed to the Treaty of Peking, which is alleged to have said that "the Chinese Government should not construct any main line in the neighbourhood of or parallel to the South Manchurian Railway, nor any branch line which should be prejudicial to the interests of that railway"; and, secondly, on the Convention of 1902, between China and Russia, that no railway should be built from Hsin-min-Tung without Russian consent. As by the Treaty of Portsmouth Japan succeeded to Russian

rights, the projected line could not be built without her consent. Her diplomatic communications were exceedingly offensive in tone, and concluded with a notification that, if she was wrong, it was obviously only Russia who could rightfully take her to task !

The Chinese Government based its action in granting the contract on the clause of the 1898 contract for the construction of the Chung-hon-so to Hsin-min-tung line, under which China specifically reserved the right to build the Fa-ku-men line with the aid of the same contractors. Further, although by the Russo-British Note of 1898 British subjects were specifically excluded from participation in railway construction north of the Great Wall, by the Additional Note attached to the Russo-British Note the engagements between the Chinese Government and the British and Chinese Corporation were specifically reserved from the purview of the agreement.

Even if Japan, as the heir of Russia's assets and liabilities in Manchuria, had been justified in her protest by the Convention of 1902 and by the Russo-British Note of 1899, she had not fulfilled her part of the bargain, namely, the Russian undertaking in the Note to abstain from seeking concessions, rights and privileges in the valley of the Yangtze. Her reliance on the secret treaty carried weight with Great Britain, but with no one else, as may be gauged from the records of the State Department at Washington. A later claim advanced by Japan that her action was justified by Article VI of the Treaty of Portsmouth, which assigned to Japan all Russian rights in the Chinese Eastern Railway (South Manchurian Railway), "with all rights and properties appertaining thereto," was effectively answered by China's citation of Articles III and IV of the same treaty. Under the first of these articles it is declared that Russia has "no territorial advantages or preferential or exclusive concessions in Manchuria in impairment of Chinese sovereignty or inconsistent with the principle of equal opportunity"; whilst the second is a reciprocal engagement by Russia and Japan "not to obstruct any general measures common to all countries which China

may take for the development of the commerce and industry of Manchuria."

It would be interesting to know whether a refusal to allow China to build a railway on her own territory is or is not an impairment of Chinese sovereignty, and whether such a railway as that proposed was not a measure for the "development of the commerce and industry of Manchuria."

It is doubtful if even the Russo-Japanese War created as much feeling in China as did the Fa-ku-men incident. Japan's action was such a flagrant dishonesty and such a cynical repudiation of her promises and pledges that her credit received a blow from which it has never since recovered. The abject failure of the British Government to support its subjects' treaty rights was almost as much an eye-opener to the world as the protest from Tokio. The incident was the first decisive proof, though warnings had not been lacking, that the Anglo-Japanese Alliance was by no means a guarantee of the "open door" in China and that the principle of equal opportunity was merely one of the inane shibboleths, which germinate in Downing Street. The protest against the Fa-ku-men railway was a deliberate, and unfortunately a successful, attempt to alienate and abrogate Chinese sovereignty over an enormous stretch of her own territory. The Japanese case was—bluff and steal, based in truth on the strategic importance of the proposed line. The British Government suppressed Sir Alexander Hosie's report on the question—this entirely supported the Chinese contentions—and threw up its hand rather than call the Japanese bluff. No wonder Li Hung-Chang wrote in his diary :

These foreign diplomats can lie like any Nanking bird-hawker. The British are the worst of all.<sup>1</sup>

The methods which had proved so successful in stopping the Fa-ku-men railway were equally successful in forcing the abandonment of other projected railways. Amongst these were the Chin-chou-Aigun line and the important

<sup>1</sup> *Memoirs of Li Hung-Chang*. Foster, Constable & Co., London, 1912.

Antung-Mukden line. The same alleged secret protocol was used equally brutally and successfully for the acquisition of the Newchwang line, and participation in 1909, and eventual acquisition in 1914, of the Chan-chun-Kirin lines. Subsequently by an agreement with Russia the sixth article of the Russo-Chinese Agreement of 1896 was construed to mean "the absolute and exclusive rights of administration within the railway zone."<sup>1</sup>

The second tactical operation mentioned above as being particularly favoured by the Japanese authorities in order to gain control in China was financial intervention. Japan is prepared to lend money to China in return for commercial and industrial concessions and exclusive rights. Exclusive rights always mean political control. In 1912 Great Britain, Germany, France and the United States formed what was known as the Quadruple Syndicate to lend China a sufficient sum of money to straighten out her affairs after the revolution. Japan and Russia, though both of them in poor financial condition, consulted "freely and frankly together," as the diplomatic phraseologists have it, for they saw in the Chinese imbroglio an opportunity of gaining great profit. Japan then said to Great Britain: "We are partners in the Far East; you ought to invite me in." Great Britain said, "You have no money," to which Japan replied that she would raise the necessary somehow. So the invitation was issued. Then Russia said: "Let me in too. I also will raise money somehow." When they were in the group, by virtue of the diplomatic notes, which I was the medium of publishing in May 1912 and by which they recognized each other's claims to outlying portions of China, they demanded and obtained, as regards Japan, recognition of her claim to exclusive influence in Manchuria and Eastern Mongolia, and, as regards Russia, her claims to Northern Manchuria and Mongolia. I happen to know that Great Britain was by no means the least astonished of the nations

<sup>1</sup> "Japan in Manchuria," Dr. K. Okasawa, *Yale Review*, vols. xvii. and xviii. "Japan in South Manchuria," Dr. T. Iyenaga, *The Journal of Race Development*, April 1912.

at her Ally's nerve. As is now ancient history, Japan floated Treasury bonds in London and Paris to put herself in funds to pay up her share of the loan. Really, one is almost forced to admire the cheek of a nation which demands important political concessions over a territory as large as India—in return for loaning somebody else's money! In discussing the first and second revolutions in China, the reader will on several occasions have his attention drawn to the frequency with which the Japanese Government attempted to employ similar financial tactics.

In the rôle of *agent provocateur* Japan has had a great deal of experience. That the revolution of the Yang-hoks in 1894, which led up to the China War, was largely due to the intrigues of Okamoto Ryonosuke and the subsidized anti-Korean Association is incontestable.<sup>1</sup>

That Viscount Miura and Mr. Sugimura were engaged on similar propaganda in 1898, when the Queen of Korea was murdered, appears highly evident from the records of the court-martial at Hiroshima. That the Finnish agitation after 1900 was financed by Japan I know from the statements made to me by the late Professor Julius Reuter of Helsingfors; and it is evident from the documents published by the Russian Government, which most thoroughly implicated Colonel Akashi, the Japanese military representative at Stockholm and Konni Ziliacus, a Finnish revolutionary resident in that city.<sup>2</sup> That Japan financed and fostered the internal revolution in Russia is proved by the contract between the Japanese Government and M. Gilinski and other Russian revolutionaries in Geneva, which was attached to the bill for Y46,000,000 accepted by the late Viscount Sone, Minister of Finance, and deposited at Hoare's Bank in London until March 22, 1915, when it fell due.<sup>3</sup> That Japan has supplied arms to Abyssinia and elsewhere is proved by the records of the Tokio law courts.<sup>4</sup> That she has not been altogether

<sup>1</sup> *Japan at the Cross Roads*. Allen & Unwin, London, 1917.

<sup>2</sup> *The Reverse Side of the Finnish Revolution*. St. Petersburg, 1910.

<sup>3</sup> It was finally paid in 1919.

<sup>4</sup> *De Larrien v. Nobuo*. Tokio District Court, 1911, 12, 13.



innocent of a finger in the Bengal pie is shown by the request of the British Government in 1912 for the suppression of a seditious magazine published in Tokio by a certain Baratullah in the employ of the Japanese Government ; and that even more lately she has manifested her interests in those whom Marquis Okuma described as the 'down-trodden peoples of India' is shown by the deportation of various Japanese subjects, included amongst whom was Professor Kanasuki of the Keio University. That Japan was constantly mixed up in the Mexican trouble will be referred to later.

It was not to be expected that with so long a record behind her Japan would neglect to foment trouble in the neighbouring country, even though officially she was at peace with China.

Theoretically, it is the duty of every law-abiding citizen to aid an officer of the law in arresting an offender or in preventing a disturbance of the peace, and this attitude should become more sanctified than ever under the ægis of the League of Nations. (Whether it will is another question !) If, therefore, Japan, viewing revolution in China with horror and dismay, should sympathize with that country, repress any of her own subjects from proceeding to swell the riot and even proffer her services to restore order, then she would be entitled to nothing but the gratitude of the civilized world. But if a presumably respectable citizen sends his hirelings into the street to provoke a riot in order that in the confusion he may snatch valuables, then that person is no longer a respectable citizen, but a ruffianly nuisance. That is the part which Japan has been playing in connection with China during the past fifteen years, if not longer.

It will be remembered that Lord Lansdowne, in his apologia for handing over Korea to Japan, alleged that that country was incapable of governing herself or of standing alone. An identical condition of affairs in China is the ardent wish of Japanese statesmen. A strong China is fatal to Japanese ambitions. A weak and divided China means eventual partition, with the acquisition by Japan

of several very rich and desirable provinces. China, therefore, must be kept weak, and one of the insuperable objections to Yuan-shi-Kai from the Japanese point of view was that he was himself a strong man, and had known how to gather strong men around him and to hold the country together. The events of the period from January to June 1915, and of the past few months, are eloquent evidence of how China can unite at a crisis to resist Japanese aggression.

Professor Iyenaga,<sup>1</sup> who previous to writing his article on "Japan in South Manchuria" was dispatched on a mission to examine the conditions in Manchuria, says :

China belonged to the category of unknown quantities. To find the true value of this unknown quantity was what taxed Japan's brains most. Two ways naturally presented themselves for consideration. In the first place there was the so-called "Awakening of China." The China-Japan War, the Boxer episode, and the Russo-Japanese War undoubtedly shook China rudely from her centuries-old lethargy. Through these agencies the national consciousness came suddenly into being, manifesting itself in the "rights-recovery" and constitutional movements. The Chinese Government itself showed a disposition to set its house in order. Some reforms were in fact initiated. For military purposes it was declared that China would organize thirty-seven army divisions. The late Minister of War, General Yin-Tchang, had in his pocket, it was said, the plan of expanding these to seventy divisions.

Such a formidable military organization, if perfected and used to wreak vengeance upon Japan for the humiliation of 1895 or any other grudge China might have, would certainly be a terrible menace to the Island Empire.

It was not, however, this forecast of China's strength that specially troubled Japan. It was, on the contrary, the inherent weakness of China that caused much apprehension on the part of the Mikado's empire. Had China been strong, there would have been no Manchurian question. Were she to become truly strong the question would be simplified.

Exactly ! If China had been strong neither Japan nor Russia could have grabbed Manchuria. Should she, in the future become strong, she could recover Manchuria from Russia and/or Japan. The Professor's argument

later that Japan really and truly hopes for China's unity and recuperation is a little naïve, though obviously penned, tongue in cheek, to suit the pious aspirations of the American audiences he handled so skilfully in his lectures at Chicago University. If this latter statement is really the case and "the Chinese Government itself showed a disposition to set its house in order," why did the Japanese War Office sell arms to the revolutionaries? If the Chinese Government was "paralysed" by the revolutionary movement and only pursued a "half-hearted policy of reform" instead of going the whole hog, why did Japan officially offer to aid the Manchu Government against the revolutionaries? If it is "the true interest of Japan to see China wide awake, reformed and strong," why did M. Ijuin inform Yuan-shi-Kai on December 23, 1911, that Japan would not permit the abdication of the Manchus and the establishment of a republic in Peking. And, finally, why in December 1914 did Baron Kato advise Yuan-shi-Kai to restore the Manchu Government?

The hub of Japanese intrigue in China was undoubtedly Dr. Sun-yat-Sen, a very extraordinary man, who has risen to the heights of a republican's ambitions and fallen to the depths of national dishonour. Whether a would-be reformer is justified in an alliance with his country's enemies in order to secure his ends at home, is a difficult and Jesuitical problem. Does the end justify the means? As the end attained never is that which is originally aimed at, practical experience would inspire a negative answer. But it is a problem which will probably never be solved. The career of Sun-yat-Sen would appear to show that even if the course is justifiable it is too dangerous to be often advocated. To quote a Japanese proverb, Sun "poked the bush and brought forth a serpent."

Japanese policy in connection with the Chinese revolutionaries has been and remains exactly the policy of Riche-lieu in regard to the Huguenots. Sternly repressing them at home, he encouraged them abroad. The ideas which Sun-yat-Sen and his colleague were propagating

in China were *anathema maranatha* to the oligarchy which ruled in Japan; but they were considered the most desirable doctrines for diffusion in China and the more they were spread in that country the better. To keep the undercurrent of Chinese unrest always on the move, and the Central Government always in hot water, was a most desirable object in the view of Tokio. From the early days of revolutionary movements in China Sun-yat-Sen was in close touch with Japan, and was actually supported by Japanese *ronin*.<sup>1</sup>

The following incident is not without interest as bearing on this: Kang-yu-Wei was for many years adviser to the young Emperor Kwang-hsu. Both Kang and the Pearl concubine, the Imperial favourite, were in close touch with the Japanese party. Under their influence Kwang-hsu, already inclined towards liberalism by a study of the writings, especially the *Kuan-rio-pun* of Chang-chi Tung, "the incorruptible," and by the teachings of Wong Tong Ho, his tutor, issued a number of reform edicts. He went even farther and accepted their advice to arrest Tse-Hsi, the Dowager Empress. Orders to this effect were issued to Yuan-shi-Kai, who was appointed Commander of the Imperial troops.

Yuan weighed in the scales the prospects before him under the mother and the Manchu system and under the son, guided by an enthusiastic and unrestrained crowd of visionaries. He betrayed the orders to Jung-lu, Viceroy of Chili, whom incidentally he had also received orders to execute. Jung-lu warned the Empress Dowager, who immediately effected a sensational *coup d'état*, re-seized the power, imprisoned Kwang-hsu on an island in the palace, and exercised an exemplary vengeance on the reformers who had plotted her downfall. Somehow the Emperor got a warning to Kang-yu-Wei in time to save him. Kang fled to Tientsin and after a series of hair-breadth escapes got to Shanghai. At Shanghai he was put by an Englishman on board the P. and O. steamer for Hongkong, where, after narrowly escaping being stopped

<sup>1</sup> *Ronin* is a word having a special political significance.

by a Chinese cruiser, the vessel arrived under escort of H.M.S. *Bonaventure*. After spending a few days in Hongkong gaol, the only place in the city where he was considered by the authorities to be safe from assassination, Kang arrived at Singapore, where he was detained in custody by Sir Alexander Swettenham, the Colonial Secretary. Shortly afterwards three Japanese arrived in the port and applied at the Colonial Secretary's office for an interview with Kwang. Instead they were arrested, on the alternative suspicions that either they were seeking to kill Kwang, on whose head the Chinese Government had put a price of £20,000, or on the more likely ground that they were intending to use Singapore as a plotting ground for revolution in China. They were examined, and two were found to be swashbucklers (*ronin*) pure and simple, whilst the third was a schoolmaster, teaching in Chinese schools. He admitted, however, in his evidence, that he was also agent for a number of Japanese capitalists interested in Chinese affairs. "There are," he said in his deposition, "a number of us in China." They were ordered to be deported, and were shipped off the following day. That was considered at the time as pretty good evidence of Japanese intimacy with the revolutionary party led by Kang-yu. However, the morning of the day that the boat was to sail the Colonial Secretary learned that Sun-yat-Sen had turned up in Singapore and was also wanting to meet Kang. He sent for him and examined him. Sun stated that after his rescue from the Chinese Legation in London by Lord Salisbury he had been in Japan. There he learnt perfect Japanese and even travelled in China, passing as a Japanese. He wished to see Kang-yu, because he and Kang were the heads of two different revolutionary parties in China. It was his hope to amalgamate these two parties. In such case they would be irresistible, he explained, for he was plentifully supplied with money. Asked where he got his money from, he replied: "From Japan, where many great firms devote a percentage of their profits to the Chinese revolutionary movement, which represents to them the expansion of Japan." Sir

Wu-chang in 1911, he was again in Kobe, whence he fired the match which set the Yangtze aflame.<sup>1</sup>

<sup>1</sup> See Viscount Uchida's reply to Mr. Moriya in the Diet, January 26, 1912.

In November and December 1911 the *Novaya Zvezda* published some interesting accounts of Japanese association with Chinese revolutionaries.

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CHAPTER III

THE FIRST REVOLUTION IN CHINA

1911-12

“When disaster comes, there will be omens.”

CONFUCIUS.

FEW people in this country realized when the brief telegrams reported the occurrence of a strike on August 24, 1911, at Chengtu in Szechouan, that the beginning of the end of the Manchu dynasty had arrived. Even in China itself acute foreign and Chinese observers were uncertain whether this was the great revolution, which had been brewing since the Russo-Japanese War or merely a local outbreak of petulance against Peking. More interesting still, the Japanese, than whom no foreigners were better informed of the subterranean happenings in China, were sublimely ignorant that the spark had been applied to the tinder, which every one had watched being laid during many years. So intently were eyes focused on the building of the funeral pile of the Manchus that few saw the first spark catch. The *proxima causa* of the Chengtu strike was the Peking policy of railroad nationalization. This policy was in direct opposition to the “rights-recovery” movement, for it meant the granting of more and more concessions to foreigners for the exploitation of Chinese resources. Also it meant a curtailment of provincial autonomy and provincial revenue, whilst the authority and revenue of Peking were correspondingly increased. In Szechouan the exasperation was particularly acute, because in that province the people had organized to build



their own railway, and at great sacrifice had found the necessary funds amongst themselves. The strike was a passive resistance movement which, excellently organized by the Tung Chi Huei, quickly spread over the province.\* There is a point to be carefully observed in connection with the strike. It was an Anti-Foreign Loan movement, not anti-foreign. Very early in its course broadsides were being printed and distributed inciting the Chinese to attack foreigners, and in particular to attack the British. These were drawn up and printed by Japanese. They were promptly repudiated by the leaders of the Tung Chi Huei, and the Viceroy Chao Er-feng placed all the foreigners except, I believe, the Japanese under military protection in the mission hospital. The declaration of martial law and the arrest of the leaders of the Tung Chi Huei on September 7th, caused rioting and street fighting which lasted till September 15th, and in which the *yamen* troops in the main were successful. On that date Tien Chun-hsuan was appointed to command the Imperial forces in Szechouan and Tuan Fang as Imperial High Commissioner to investigate and control the railway affairs of the province, Chao remaining as Acting-Viceroy.<sup>1</sup>

The province of Szechouan was practically cut off from the rest of China. The world knew that there was trouble there, but how things actually went was not known and could not even be guessed at. On October 9, 1911, a bomb exploded prematurely in a Chinese house in the Russian concession at Hankow. A search revealed a revolutionary centre and workshop. Three men were arrested and handed over by the mixed Court to Jui

\* Tien had previously served the office of Viceroy at Chengtu, and was well and favourably known amongst the people. Tuan was one of the most progressive men in China, though a Manchu. Amongst foreigners he was famous as the Acting-Governor, who protected the foreigners in Sheusi during the Boxer rebellion. Later as Viceroy of Fukien, Nanking and Chili he had proved a liberal and enlightened administrator, doing much for the improvement of Chinese industry and commerce, notably in the organization of the Nanking Industrial Exhibition in 1908. His sons were educated abroad. Tuan Fang never reached Chengtu, but was assassinated by his own soldiery on November 27, 1911, at Yungchuan.

Cheng, Viceroy of Hupeh at Wuchang. In the house had been found imprints of the Republican seal, plans of the revolutionary organization, maps and other highly incriminating material. October 10th Jui Cheng spent in raiding the Reform Clubs in Wuchang and executing those he arrested. That night the official Republican revolution broke out, actually under the superintendence of Sun Yu, brother of Sun-yat-Sen. Li-yuan-Hung, colonel of an infantry regiment, was the elected Republican commander. He first saved the Viceroy's life by smuggling him across the river to Hankow, then drove out the Imperial troops from Wuchang, and by October 13th had occupied Hankow and Hanyang. The strategic points of the Yangtze Valley were held by the Republicans.

As I did not arrive in Japan until after the first weeks of the revolution, I had to learn later what was the official attitude of the Japanese Government towards the rebellion in its early days. The second Saionji Cabinet had only been in office a couple of months, and Ministers had hardly settled into their chairs. As, however, continuity of policy, especially of foreign policy, is a tradition in Japan, it is safe to assume that Viscount Uchida looked with equanimity on any insurrectionary movement which might prove embarrassing to Peking, whilst keeping an eye wide open for incidents which might be utilized to advance Japanese rights in China.

As stated above, there is no reason to doubt that the outbreak was a considerable surprise to Japanese officialdom. The policy of Japan was not to encourage general revolution, especially a revolution having for its object the overthrow of the Manchu dynasty. Again, Japan knew as well as any that the only man in China upon whom the Court could rely for help and protection was Yuan-shi-Kai, who, ever since 1885, had been Japan's bitter enemy. Local disturbances and simmering unrest meant opportunities for intervention whereby concessions could be adroitly secured. A general uprising would focus the eyes of the world upon Japan, and whatever advantages she might expect to gain would have to be shared

with others. To my mind a decisive proof of Japanese unpreparedness for the outbreak was the absence from China of the Japanese War Office's principal expert on that country, General Saito, who as quickly as possible after the fighting at Chengtu was hurried across to investigate the Szechouan situation. He arrived at Hankow in time to witness the opening of the fighting on the Yangtze.

Within a few days of the outbreak Nationalist M.P.s were on their way to Shanghai to co-operate with the rebels, whilst the "Yurin Kai" and the "Zenrun Kai," two Japanese associations which had been formed to aid the revolutionaries, were flooding the cables with congratulatory and hortatory messages. Nevertheless at the beginning of the revolution the sympathetic movement in Japan was strictly limited to the Nationalist party and to those institutions, financial and commercial, which had been actively engaged for years past in organizing and arming the rebels. There is little doubt that the rapid extension of the revolutionary movement throughout China came as a great and unpleasant surprise to those in authority at Tokio. It was not until the latter part of November that the Japanese press, under official inspiration, began to talk of intervention. From about the middle of November newspapers of all classes began to press on the Government an active policy, partly basing their demands on the undoubted damage the revolution was inflicting on Japanese trade with China and partly on surmises as to the future action of Yuan-shi-Kai, who, as an old foe of Japan, would, it was considered, take every means of damaging that country's interests. It is worthy of note that this conversion of the Tokio press dated from the publication of Wu-ting-Fang's letter to the foreign newspapers of Shanghai (November 14th, 1911), which was the first indication of the determination of the revolutionaries to fight on until the extinction of the Manchu Court. From that date it was clear that the success of the rebellion could only mean the establishment of a Chinese Republic.

The Japanese authorities, when they connived at the

plotting on Japanese soil of Sun-yat-Sen and his colleagues against the Chinese Government, had no intention whatsoever of assisting in the conversion of the Chinese political system from a monarchy to a republic. They were prepared to assist *sub rosa* any attempt to split China and to establish a republic in the South, in return for a suitable *quid pro quo*. They were not prepared to see the Manchus dismissed and a democratic Government take their place. Such a step might easily have most disastrous effects in Japan. If a celestial monarch in China could be kicked out like a coolie, why not in Japan? If the Manchu bureaucracy could be pensioned off in China, the same treatment might be applied to Satsuma and Choshu in Japan? If Mr. Inukai<sup>1</sup> and his Nationalists could set up a demagogue as President of a Flowery Republic, why should they not do the same in Nippon? Really the situation was extremely awkward for the Tokio diplomats, and Viscount Uchida was hardly a strong enough man to handle it.

Before Mr. Inukai had gone to Shanghai in October he had had an interview with the Foreign Minister, who had expressed very clearly his views on the situation, including remarks as to what Japan would do for the revolutionaries and what she would want in return. More than this, he had asked Mr. Inukai to transmit these remarks to the revolutionary leaders. Messrs. Inukai, Terao, Toyama and the whole Nationalist party were pressing for intervention on behalf of the rebels and the implementing of the Foreign Minister's promises. But if

<sup>1</sup> The Kokuminto or Nationalist party was formed in 1910, consisting of the remnants of the Progressive party created in 1892 by Count Okuma. The formation of the Kikkindoshikai by Prince Katsura in 1913 was possible by the bribery of forty-seven members of the Kokuminto. Inukai Ki was born in 1855, entered politics early in life, and was a staunch champion of constitutional parliamentary government. He was for long the editor of the *Hochi*, a position he resigned in 1890 to enter the Diet. Until 1909 he was closely associated with Marquis Okuma, and was Minister of Education in the Okuma Itagaki Cabinet of 1898. When in 1909 the Progressives split he led the non-coalition section, and formed the Kokuminto. He is rightly regarded as the most capable parliamentarian in Japan. He and his party have always been closely associated with the Reform Movement in China.

this was done, let alone complications with other Powers, it would mean the destruction of the Manchu dynasty and be a boomerang blow at the monarchical system in Japan.

Then there were other people clamouring for intervention on the ground, pure and simple, that unrest in China was the proper moment to gain advantages in that country for Japan. For example, Dr. Ariga, Adviser in International Law to the Foreign Office, wrote: "The Japanese Government should intervene and take up a definite attitude, helping one party or the other, obtaining in return an advantageous foothold for Japan."

Again the merchants and the banks all wanted Foreign Office help to get concessions and to make loans. And all the time the Genro sat in the background and decreed that whatever was done the Manchu monarchy must not fall.

Truth to tell, Viscount Uchida completely lost his head, gave in to everybody in turn and made a complete muddle of the whole business. The revolutionaries asked for the loan of advisers, so the two professors of the Tokio Imperial University, Drs. Terao and Soyegima, went to Hankow to advise on Foreign Affairs and the Constitution. The President of the Chinese Red Cross wanted an adviser, so Viscount Uchida nominated Dr. Ariga, a doctor of law but not of medicine. The revolutionaries wanted more arms, so General Baron Ishimoto, the Minister of War, sold them Y3,000,000 worth from Osaka Arsenal. The revolutionaries wanted some more money, so Baron Shibusawa and other financial magnates were summoned to the *Gwaimusho* and told how they could and how they could not lend money without infringing neutrality. Bankers and merchants wanted concessions, so the Okura-gumi was encouraged to contract a loan on the security of the Shanghai-Ningpo Railway, although that line was already mortgaged to a British company: the Nippon Yusen Kaisha was encouraged to put up Y10,000,000 on the security of the "China Merchants'" fleet, and the Mitsui Bussan to advance money on a mortgage of the Hanyehping concern. The militarists wanted a move in

Manchuria, so a Cabinet Minister confided to the *Jiji Shimpō* that Japan had 50,000 lives in Manchuria, 1,720 miles of property (the railway zone) and investments of Y200,000,000. Therefore it was a fit and proper moment to annex Manchuria!

Having thus got matters into a lovely confusion, Viscount Uchida sat back whilst the Genro put in some fine work. It commenced with a statement from Prince Katsura on December 18th, that the time for intervention had arrived, with the usual rider "for the sake of the peace of the Far East." This was followed by a private instruction to M. Ijuin, Japanese Minister in Peking, whereunder the latter on December 23rd categorically informed Yuan-shi-Kai that under no circumstances would Japan recognize a republican form of government in China. At the same time reinforcements were sent from Japan to Manchuria and the Yokohama Specie Bank commenced negotiations with Peking, but not through Yuan-shi-Kai, for a loan to the Manchus for military purposes. So far did the Elder Statesmen go in their preparations for intervention that Prince Yamagata obtained the Emperor's permission to the proposed scheme of operations.

Attention may be directed to two other incidents. In December 1911 Yuan-shi-Kai sent Tang-shao-Yi to Shanghai to negotiate with Wu-ting-Fang on the basis of any concessions provided the dynasty remained. Tang, as will be remembered, conceded everything, even to the establishment of a Chinese Republic, a surrender which caused some horrid moments to Tokio officialdom. In connection with the Peace Conference held at Shanghai, Mr. Matsui (now Japanese Ambassador to France), a trusted Councillor of the Foreign Office, was despatched to Peking to back M. Ijuin in the negotiations to uphold the dynasty. Simultaneously, Mr. Denison, Legal Adviser to the Japanese Foreign Office, was sent to Shanghai to negotiate with the rebel leaders. Mr. Matsui's mission was to bargain for Japanese support of the Manchus against the rebels, Manchuria against the throne; Mr. Denison's mission was to bargain for Japanese

support of the rebels against the throne, recognition by Peking of the Southern Republic against virtually a Japanese protectorate of that Republic and exclusive railway and mining concessions within its borders. The rebels absolutely refused Mr. Denison's offer, and sent the proposed terms to the Russian Minister at Peking, through whom they eventually saw the light of day. Needless to say the Japanese authorities strenuously denied their authenticity.

The negotiations with the Manchus failed because of British interference. The British Government, so far from acquiescing in intervention, as had been freely stated in Japan, sternly set its face against such a course. It protested at Tokio, first against M. Ijuin's statement to Yuan-shi-Kai, secondly against the proposed loan to the Manchus, and thirdly against the proposed use of armed force. Subsequently it had to further protest against the Okura mortgage on the Ningpo Railway and against the negotiations for the acquisition of the "China Merchants'" fleet, over which the Hongkong and Shanghai Bank had claims. As a result these two loans were annulled and Japan was forced into the strict and narrow path of *de jure* neutrality, and the Elder Statesmen agreed that Japan would not interfere in the event of China deciding to eliminate the monarchy.

Admittedly the Japanese Foreign Office is the cleverest in the world at making the best of a bad job. The Anglo-Japanese Alliance having been invoked to prevent their strenuous but futile efforts to bolster up the Manchus, Viscount Uchida, in glowing terms, held that Alliance up to the world as the one thing which had saved China from ill-intentioned nations! He said:

The beneficial result of the Alliance may also be seen in connection with the present trouble in China, for the territorial integrity of which the Alliance has generally been regarded as a guarantee. When the revolutionary movement broke out in China last autumn, the Imperial Government, adhering to the spirit of the Alliance, adopted at once a policy of strict neutrality toward the two combating parties. Whatever may be said about the Council of Powers

in China, it is universally admitted that the Anglo-Japanese understanding has been an important factor in the affairs of that country to determine the policy of the preservation of the territorial integrity of China.<sup>1</sup>

The above certainly reads curiously when compared with M. Ijuin's statement to Yuan-shi-Kai or with General Ishimoto's admission in the Diet that rifles to the value of Y3,000,000 had gone from Osaka to the rebels in China, or even with Viscount Uchida's own statement on February 2, 1912, in reply to a Nationalist interpellation as to whether the "present troubles do not form an excellent opportunity to obtain interests in China." He replied that the Government had extended all possible assistance to Japanese firms and individuals seeking concessions and interests in China, but that such action *had had to be stopped in view of the representation of other Powers that such action was contrary to neutrality*. The proceedings in the Diet on January 26th between Viscount Uchida and Mr. Inukai contained some very piquant revelations as to the Government's method of utilizing the Chinese trouble, and it is a pity that just at the psychological moment when the revelations were becoming sensational the Chairman of Committees ordered the discussion to be continued in camera.

The facts remain clear as daylight, and no amount of official contradiction or declarations of neutrality can disguise them. The first revolution was largely financed by Japanese and organized by Chinese revolutionaries from Japan; it was blessed by the Japanese Government—ignorant of its extent and aim. When it became clear that a republic for *all* China was the goal of the revolutionaries, Tokio at once tried to intervene to support the Manchus, or, alternatively, to limit the republic to the South of China. In either or both cases Japan was to obtain political and commercial rights as the price of intervention. Finally the late Sir Claude MacDonald, then British Ambassador at Tokio—and a very good Ambassador he was—

<sup>1</sup> Foreign Minister's Statement, February 20, 1912. Official translation.



was three times instructed to sharply remonstrate with the Japanese Foreign Office to prevent Japan taking unneutral action which could only have ended, and was intended to end, in the territorial disintegration of China.

In an interview which I had with Sir Claude at the time he said :

The Japanese authorities profess to believe that the revolution is a series of sporadic local affairs. We don't. We believe it is developing into a national movement. We say that it is like a river in spate ; they say it is only a little stream which can be easily stopped.

The following statement, issued in Tokio, gives very concisely the difference of opinion between the two Governments :

The Japanese Government from the first considered a monarchical system most suitable for the government of China, and on Yuan-shi-Kai taking the reins of government the Tokio Foreign Office believed that the trouble in China would come to an end with the adoption of a Monarchical Government. On receiving an invitation from the British Government to join in the mediation for peace negotiations, the Japanese Government suggested that mediation should be undertaken only on condition of the adoption of a Constitutional Monarchy. The British Government, however, was of a different opinion, and refused to agree to the condition stipulated by the Japanese. The Japanese Government, however, was confident that Yuan-shi-Kai would strongly and absolutely insist on a Constitutional Monarchy being established, and that the negotiations would be brought to a successful conclusion accordingly, without any special effort being made to direct the course of events. Now, however, the pendulum has swung in the other direction, and it appears that peace cannot be arrived at without establishing a Republic. The attitude of Yuan-shi-Kai, who, it was believed, would insist on a Monarchical Government, has now become suspicious, and the result of the negotiations seems to be different from what the Japanese Government anticipated. Consequently, the Japanese Government is much perturbed at the turn events have taken, and is considering means for extricating itself from the awkward position.

The failure of the Matsui and Denison missions was undoubtedly a severe blow to Japanese diplomacy, for it meant not only the postponement of the various conces-

sions desired, but it spelt " Republic " in very large letters. The chagrin felt at Tokio was by no means lessened during the next few weeks, when the Okura concession and the shipping purchase negotiations had to be abandoned, and further the proposed conversion of the Hanyeh-ping concern into a joint Sino-Japanese corporation was vetoed by Yuan-shi-Kai. All in all, the first revolution was a rather disastrous affair for Japan. She had made enormous efforts and spent a lot of money and almost risked the abrogation of the Anglo-Japanese Alliance. She had got in return the establishment of a Republic in China and a bundle of promissory notes accepted by Sun-yat-Sen and Hoan-Hsin, which were all marked " R.D."

The immediate result of the Chinese muddle was a sharp fall in Japanese esteem of the value of the Anglo-Japanese Alliance. It was argued at length in official and semi-official journals that the Alliance was a burden retarding the country's expansion.<sup>1</sup>

<sup>1</sup> The Alliance ended for all practical purposes last July, when it was revised. It no longer furnishes any guarantee for the protection of China's integrity. So far from Japan and Great Britain taking joint action when their rights and interests are threatened, no measures are taken at all. England is no longer faithful to the principles of the Alliance, and the Japanese Government would be well advised to make a definite declaration as to whether it is to be regarded as a live instrument or not.—*Osaka Mainichi*, January 18, 1912.

For a long time now the feeling between Great Britain and Japan have been undergoing a radical alteration. There is no concealing the fact that it is not what it was before the Russo-Japanese War. At the time of the Tariff friendly relations were only maintained by concessions from the side of Japan. The revision of the terms of Alliance has reduced it from a real to a nominal value. The friendship between Britain and Russia is something to be carefully watched. The action of Great Britain during the Chinese revolution has not been true to the principles of the Alliance. The policy of Great Britain is purely selfish, directed to securing her interests in the Yangtze Valley, and so long as these are maintained there is no necessity to trouble about the integrity of China, nor about the protection of Japanese interests in China.—*Tokio Nichi-Nichi Shimbun*, January 18, 1912.

The Yamato race is the only solitary one in the world. It has no kith nor kin. The English saying, " Blood is thicker than water," has no meaning for the Japanese people. As long as the Yamato race lies

The anti-British campaign was ardently supported by the militarists, who, with the failure of Japanese diplomacy had seen vanish for the time being both the possibilities of exercising their splendid military machine and the opportunity to assert effective control over Manchuria.

Another result was a violent press campaign against Yuan-shi-Kai, always considered hostile to Japan, but now as doubly hostile on account of his acceptance of a republic. The language used in the Japanese newspapers with regard to the President was always of the most virulent and often of the most filthy nature. If such language had been used of the ruler of any other country than a China in the throes of domestic trouble, it would most certainly have resulted in the severance of diplomatic relations, if not in worse happenings. But it must be remembered that such language could not have been used of any other ruler, for the Japanese Government in that case would have immediately suppressed the offending journals. In the case of Yuan, however, it suited the Japanese authorities very well to allow him to be vilified and abused, for such abuse was excellent propaganda for the opposition to him in China.

The *Chuo Shimbun*, the organ of the Ministry, wrote on March 11, 1912, for example :

low, no one goes out of his way to arouse it : but if it lies low it is only giving chances for others to override it. It is vastly to be regretted that the present tendency is toward self-affacement and retirement. The Chinese revolution is a case in point. . . . The authorities hug with persistence the Anglo-Japanese Alliance. They desire only to walk in the footsteps of Great Britain. The Alliance, in our opinion, has already been deprived of its soul by the recently effected revision. It is the cast-off skin of the *cicada* (small lemon). We do not say that it is altogether useless, for even a scarecrow sometimes prevents the mischief of naughty birds. We do not object to its existence as long as the other party to it does not object. But we emphatically assert that to leave the matter of the Chinese revolution in the hands of Great Britain is a most unsafe policy. Britain is groaning under the overwhelming dimensions of her colonies, against which we have only gained a footing in Korea. Great Britain has more than enough to do in other parts of the world. Can she afford to stretch out to the Far East to meddle with China ? Japan must do her own work in China without depending on Great Britain."—*Kokumin Shimbun*, February 5, 1912, I. Tokutomi, Chief Editor. (This paper was the organ of the late Prince Katsura.)

Yuan is a past-master of intrigue and deceit. He has tricked every one who has ever trusted him, the Manchus or the Powers. We in Japan may expect no good from the assumption of the supreme power by such a man. Forty days have passed since the abdication of the Emperor, but no efforts have been made to resume normal conditions. No Cabinet has been formed; the credit of the nation has fallen low. The Chinese distrust Yuan, and even the heroes of the revolution refuse to aid him. His weakest point is also his strongest. It is his wonderful political dexterity. Seeing how he has sat on the ruins of the Imperial throne, which he destroyed, we cannot find in him any consistent principles of patriotism. He is a traitor of the deepest dye.

It is really quite extraordinary how the Japanese hate anybody a little more adroit than themselves! Not for the first or the last time the Japanese press defeated the national ambitions, for its outrageous language betrayed only too clearly the objects in view. The greater portion of the Chinese nation rallied round Yuan as the only man strong enough to unify the nation in defence against Japan. M. Ijuin, the Japanese Minister in Peking, on his return to Japan, in very well-considered terms attributed the dislike of Japan in China and the failure of Japanese diplomacy to the vehement attacks of the Japanese vernacular papers on the Chinese President.

Before leaving the actual incidents of the first revolution I may insert a very interesting statement by Dr. Terao Toru, the professor of the Imperial University who was lent by Japan to the Hankow revolutionaries in December 1911 as legal adviser. He said :

On my arrival in China I offered to assist the revolutionary leaders in their task to the best of my power. I may say now that they sincerely appreciate the sympathy which has been shown them by Japanese, both high and low. Both Governments were hard pressed for a loan to provide war funds.

The Peking Government obtained funds by subscriptions from the Imperial Princes and other dignitaries. The Nanking Government opened negotiations with Japan (through M. Ariyoshi, I.J. Consul-General at Shanghai) to borrow money on the security of the Tayeh Iron Mine, the Ping-hsiang Colliery, and the Hanyang Arsenal, as well as on the property of the China Merchants' Steamship Company. The Peking merchants, having to bear the expenses

of the Provincial Governments in addition to those of the Central Governments, were more hardly put to it.

About this time the revolutionaries bought a quantity of arms from a well-known Japanese firm, Okura & Co., who charged an absurd price for the weapons—as was afterwards found out, more than ten times the price paid by the firm. The arms proved absolutely useless. Had the Imperial army attacked the rebels at Wuchang it must have utterly smashed them. Yuan-shi-Kai was, however, a man of great intelligence, and he perceived that it was impossible for him with nine million Manchus to eventually resist the 400,000,000 Hans. Much time was occupied in negotiations for peace. Meanwhile, the revolutionaries utilized the interval in working hard to obtain arms and funds, purposely dragging out the negotiations in order to have time to prepare for another campaign. They sought a loan from a Japanese firm for Y10,000,000, secured on certain property, and a contract was actually signed for this amount; Y3,000,000 to be paid in cash and arms to the value of Y7,000,000 to be shipped. Just at the same time an American syndicate offered a loan of Y7,000,000, but as the revolutionaries were better disposed to the Japanese and the total obtainable from the latter was larger, the American offer was not accepted. As the Chinese New Year grew near the Nanking Government was under the necessity of paying its troops, and applied to their Japanese friends for the cash payment as arranged and the arms. The Japanese, however, who had not delivered the arms, refused to pay over the Y7,000,000 instead, and the Nanking Government had to agree to accept the Y3,000,000 only. But when the moment came for that small amount to be paid, it was not forthcoming.<sup>1</sup> “I used all my efforts,” says Dr. Terao, “to get the firm in question to somehow raise the money, but without success. On my return to Japan I was informed

<sup>1</sup> The loan referred to is the Okura loan, mentioned earlier. It was officially stated that about Y2,000,000 had been advanced before the authorities forbade completion. The money was subsequently refunded by the Chinese.

that the firm had refused payment of the loan in question under pressure from the Elder Statesmen. It is deplorable that the Japanese should thus have brought upon themselves the disgust of the Chinese owing to pressure from the Elder Statesmen."

The importance of M. Ijuin's rebuke to the Japanese journalists and of Dr. Terao's statement lies in the fact that in Japan the press, the money market and the export trade are absolutely under governmental control. The Press Law in Japan gives the Foreign, War and Naval ministers absolute power of suppression and repression over the newspapers. The export trade is carried on under the strictest Government control, whilst even a debenture loan for a private company cannot be raised without official sanction.

## CHAPTER IV

# THE SECOND REVOLUTION IN CHINA

1912-13

“The wickedest Fires in the World would die out, if there were not some evil hands to fan them.”

THE Chinese Republic having been established and Yuan-shi-Kai elected as the Provisional President, the two questions which most occupied the attention of the Powers were those of recognition and of the Six-Power Loan. It was out of these that the Russo-Japanese *entente* arose. When Japan was invited to participate in the loan she agreed on the express condition that in view of her interests in that province Manchuria should be excluded from the scope of the loan. Having extorted this concession, she circularized the Powers, suggesting that they should act together in the matter of recognition of the Republic and that the limits of the new Government's authority should be recognized as those of the old Chinese Empire. By this astute move Japan distinctly scored, for the Powers in accepting the proposal tacitly acknowledged that Japanese interests in China were sufficiently important to justify her leadership in this matter. (That Japan later broke her own agreement by sending in her recognition the evening before the day fixed for joint recognition by all the Powers is only another instance of the little importance she attaches to agreements.) The success of this move was very flattering to her *amour propre* and did much to soothe the more Jingo portion of

the nation and the press, whose susceptibilities had been much ruffled by the earlier failures of her diplomacy.

In the matter of the loan the Japanese reservation had been supported by Russia, a course which Japan reciprocated when Russia, approached on the question of recognition, wished to reserve from the boundaries of Chinese authority Mongolia and Northern Manchuria. It was this mutual support bestowed on each other by Russia and Japan that led to the *communiqués* of 1912, which, though, and perhaps because, unpublished, constituted one of the most important instruments in Far Eastern politics.

The statement emanating from St. Petersburg that an alliance had been entered into between the two countries was totally incorrect, and was immediately denied by the Russian and Japanese authorities. Russia did not care a rap what form of government existed at Peking, but was bent on subtracting Mongolia and the districts bordering Russian Asia from the control of the Chinese central authorities. Japan desired to maintain some form of monarchical government in China and to extend her own influences and authority in Manchuria. Russia had been very successful in her efforts, and had succeeded in setting up an autonomous government in Mongolia. Japan had failed entirely. Russia's reservation in April 1912 was to obtain general recognition of an accomplished fact; Japan's reservation was to obtain recognition of a claim. Although Japanese verbosity might have led the casual onlooker to believe that Manchuria was a portion of the Japanese Empire,<sup>1</sup> nevertheless the Chinese had managed to keep the intruders for the most part within the railway zone. Although the Japanese had succeeded in shutting

<sup>1</sup> The present is the best possible occasion for the solution of the S. Manchurian question, which Japan must settle sooner or later. She has already missed several opportunities for annexing Manchuria, and the longer the solution is postponed the more difficult it becomes. The lease has only twelve years to run. It is the only tangible result of the great war with Russia. No one expects that in twelve years Japan can settle the question peaceably with China. It is better to seize the present opportunity and do the trick without difficulty.—Professor Tomizu, M.P., Tokio Imp. Univ., in *Shin Nihon*. Editor, Count Okuma. April 1912.



it other foreigners and foreign trade and had been able to curtail very considerably China's sovereign rights in Manchuria, yet she had not been able to impose her own sovereign rights in place thereof. It was the failure of all her efforts in that direction which caused the very onerous demands placed by Japan before China in 1915.

The official statement of the *entente* supplied to me on July 19, 1912, by Mr. Kurachi, Vice-Minister for Foreign Affairs, was as follows :

The report from St. Petersburg that an alliance has been concluded between Japan and Russia is totally incorrect. No negotiations for such a purpose have taken place, nor is such an alliance projected. It is correct that *communiqués* of the most important nature have passed between the Governments of Japan and Russia. These *communiqués* are supplementary to the Russo-Japanese Agreements of 1907 and 1910. Their object is to define the respective spheres of interest of Russia in Outer Mongolia and North Manchuria, and of Japan in Inner Mongolia and South Manchuria.

By Inner Mongolia is meant that portion of Manchuria formerly known as Inner Mongolia.

The exchange of these *communiqués* was necessitated by the recent revolution in China and by the subsequent negotiations for the supply of a loan to China by the Powers.

The exchange of *communiqués* has resulted in the clearest understanding between the two Powers on the Chinese question, and has created an *entente* between Russia and Japan of the very greatest importance for the preservation of peace in the Far East. Indeed, the new *entente* may be described as second only to the Anglo-Japanese Alliance in its bearing on the Far Eastern situation.

There are two noteworthy points in this statement. The first is the definite mention of "spheres of influence," showing very clearly that neither Japan nor Russia had abandoned that doctrine. The second is the definition of Inner Mongolia, a province subsequently absorbed into Manchuria and Chih-li. According to the Japanese definition of 1912 only the Manchurian portion was included in the Japanese sphere, but the railway negotiations of 1913 and 1914 and the Japanese demands of 1915 include the Chih-li portion, showing how extremely elastic Japanese definitions are, when explained by themselves.

Writing on July 20, 1912, to my London office, I said : " It remains to be seen whether Japan will be satisfied with this limitation of Inner Mongolia." She has not !

From conversations I had then with Russian diplomats I was extremely dubious as to whether Russia attached the same importance to the *entente* as did Japan. It was no part of the Russian policy in China to hand that country over to the tender mercies of Japan, simply reserving to herself Outer Mongolia and North Manchuria. She availed herself of Japanese support in 1912 in order to consolidate her own position, and she was willing to have Japan consolidate herself in South Manchuria and even to allow her to encroach on Eastern Mongolia, because, in the view of the Russian military authority, the farther Japan advanced on the mainland the weaker her military position became.

Previous to the European war Russia had by no means given up hopes of a *guerre de revanche*, if her diplomacy should fail to check Japanese ambitions. How far the European war altered her views, previous to the *débâcle* of 1917, it is impossible to say, but the Sino-Russian Treaty of 1915 very clearly indicated a *rapprochement* towards China.

At the time of the *entente* in 1912 there were a few men in the Japanese army who realized the military difficulties in store for her on the Continent. In general, however, the army and the nation were imbued with the idea that Russia had been decisively defeated in the Russo-Japanese War, and that the Japanese forces, with the expansion of twenty-five divisions sanctioned in 1909, but not carried out in 1912, nor indeed until 1915, were equal to any possible problem of Asia.<sup>1</sup>

As an example, however, of the heterodox view, the lecture by Captain Nishimoto before the Society for the Study of Military Affairs at Tokio on March 8, 1912, may

<sup>1</sup> On January 28, 1914, the Premier, Count Yamamoto, speaking in the Budget Committee, said : " The acceptance of the twenty-five divisions scheme for the army is now an open secret ; the particulars of it I am unable to give, but it has been elaborated after careful consideration of the requirements of the national defence."

be quoted. The lecturer stated that the ultimate extension of the army was intended by the General Staff to be to fifty divisions, including the reserves, and was due entirely to the military situation created by the annexation of Korea and the establishment of territorial rights in Manchuria. The cost of placing and maintaining such a force on the continent would be about £400,000,000, a far greater sum than the whole of Manchuria would be worth. In the lecturer's opinion there should be no further expansion territorially in Manchuria, and Korea should be defended by a line of fortresses, in which case the field army need not exceed that which Japan needed in the Sino-Japanese campaign. It was a question whether Japan had not lost more than she had gained by territorial expansion. She was certainly unable to bear the enormous costs of a large modern navy and of the proposed standing army.

Lieut.-General Toji, formerly Chief of Staff to General Kawakami, in June 1912 published in the *Tokio Asahi Shimbun* some very grave criticism of the Japanese military situation, and incidentally threw some strong light on the events leading up to the Treaty of Portsmouth.<sup>1</sup>

After pointing out that the high cost of the army and navy were in part due to the appalling waste of money and corrupt administration, he wrote :

The Japanese were poisoned by vainglory after the war with Russia, and have as a consequence become luxurious and conceited. Most Japanese feel very elated at the victory over Russia, but they cannot realize what sort of a victory it was. They confound the victory in battle with the victory in war, which from a military point of view are two entirely different things. Japan certainly defeated Russia in some battles, but was by no means the complete

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<sup>1</sup> In *Japan at the Cross Roads* I said that it was the Japanese who first sought peace in 1905. This caused a certain amount of surprise among the critics, and brought vehement contradictions from Japanese readers. The statement, however, has since been absolutely confirmed by the publication of the late President Roosevelt's letters, edited by Mr. J. B. Bishop (Ch. Scribner's Sons, New York, 1919). In a letter dated June 16, 1905, the President wrote: "I made my first move in the peace negotiations on the request of Japan."

victor in the war. Neither the military authorities nor the other statesmen have ever tried to tell the nation the truth about the war and its real ending. Instead they have made irresponsible exaggerated speeches and encouraged the people in pride and vanity. The army is costing far more than it ought to. Anybody with the slightest military knowledge ought to know that there is abundant room for reform, not only in the army but also in the navy. If we are to maintain our military position on the mainland we require more divisions, but we ought not to require more money, if the Diet will only insist on strict accountability of the military fund.

At first sight these two statements appeared to be diametrically opposed, but they were not really so. The military authorities demanded an expansion of the army, which the country could not possibly afford. Captain Nichimoto therefore advocated the abandonment of the Manchurian plans. General Toji recommended purification of the accounts, and the education of the nation to the fact that Japan was not the real victor in the Russian War and strenuous efforts must be made to restore her military position. In either case the fact remained that Japan militarily was not the Great Power she was supposed to be, and consequently the Russian theory, that by allowing and encouraging her further expansion in China Japan would perform her own happy dispatch, appears to have had considerable justification. Although the Japanese are inclined to feel contempt for Russian diplomacy, a comparative study of the history of the two nations until the sudden end of the Tsardom shows a distinct credit balance on the Russian side as regards Eastern affairs.

The late Count Hayashi once in conversation reminded me that the Russians had a good deal of Oriental in them, which made them the most difficult of the European nations to conduct negotiations with. Subsequent revelations might perhaps have altered his opinion had he lived. A Russian diplomat on another occasion expressed to me the view that it was the Russian diplomats who were working under difficulties, because of the various cross-currents at St. Petersburg.

The most sensational incident of Japanese foreign affairs in 1912, though not the most important as events proved, was Prince Katsura's visit to Europe. At the end of June it was announced that the ex-Premier would in July leave Japan on a visit to St. Petersburg, Berlin, Scandinavia and London, and possibly America. As the announcement was almost immediately followed by the Russo-Japanese *entente* on the Chinese question, rumour immediately became active, attributing to the journey a political mission of considerable importance.

I have dealt elsewhere with one of the objects of the journey—a desire to study at close quarters the constitutional systems of Europe. There was also a personal object, namely, submission to Berlin physicians for the purpose of treatment for incipient cancer, or at all events for a stomach complaint which might, and eventually did, develop into cancer. Of a diplomatic purpose there was nothing definite. Talk of negotiating an alliance with Russia was nonsense, and the Prince was the last person in the Empire to believe in its feasibility.<sup>1</sup> As at that time there was an active press campaign against the Anglo-Japanese Alliance, due in part to its emasculation in 1911 and in part to pique against British moral support of Yuan-shi-Kai, there was a predisposition to believe that a Russo-Japanese Alliance was somewhere in the offing. At the same time the Prince was admittedly anxious to meet the Russian statesmen and talk things over with them.

With regard to Germany, however, matters were on a different footing. For long a resident in Berlin and very fond of Germany and Germans and a great admirer of their methods, Katsura was anxious to talk Far Eastern politics with the diplomatists of the Wilhelmstrasse, and also to interest the Berlin money market in Japanese

<sup>1</sup> The rumours with regard to a Russian alliance were principally due to the inclusion in the travelling party of Baron Goto, who had always rather fancied himself as a peacemaker between Russia and Japan, since his visit to Russia as President of the S.M.R. Baron Goto had on various occasions suggested himself as a suitable medium for a Russo-Japanese *rapprochement*, but always without success.

finance. It was for this latter reason that Mr. Wakatsuki was attached to his suite. Katsura always had the intention of negotiating a Convention with Germany on the lines of the Franco-Japanese Convention of 1907, and had expressed this hope on various occasions. German diplomacy had long been trying to weaken the bonds of the Anglo-Japanese Alliance, and when the announcement of the trip was made the Emperor William telegraphed personally to Count Rex, the German Ambassador at Tokio, to assure the Prince of a hearty welcome in Berlin. That Katsura would ever have weakened on the Alliance I do not believe, but as events turned out the trip had no importance at all and was, indeed, a failure. In St. Petersburg the Prince's reception was polite, but nothing more, and he had not been there more than two days when he was forced to hurriedly return to Japan owing to the lamentable death of the Meiji Tenno.

That Russia was not so wrapped up in Japan as the *Gwainusho* would have had the world believe was rather crudely demonstrated at the Imperial funeral. Though Britain, the United States, Germany, France, and Spain sent Special Envoys, Russia sent none. Warships of all the nations except the Russian, though she had a squadron at Vladivostock, assembled at Yokohama to salute the dead Emperor. The Czar's wreath bore the curt inscription: "From Nicholas."

The second revolution broke out in May 1913, and was ended in a few months. Its leaders were Sun-yat-Sen, Hoan-Hsin and Chen-chi-Mei. Although Sun had the least share in the active revolution itself, he must be held most responsible for it, inasmuch as his influence would have been sufficient to prevent its outbreak, if he had really set himself to carry out the task allotted to him as a loyal servant of the Republic, in the creation of which he had taken so large a part. It would be most charitable to assume that seventeen years spent in active work as a political revolutionary had so tainted him with the revolution habit that sitting comparatively quiet in an office chair was a physical impossibility.

Great man as Sun had shown himself in the past, the fact remains that he was and is an idealist and a dreamer. He dreamt a Chinese Republic, and fortunately found practical backing which turned the dream into a reality. He is an orator of extraordinary power, but when his speeches are closely analysed they are found to contain little beyond vague irresponsibilities. He has absolutely no executive capacity, no knowledge of and an appalling contempt for detail. He is a company promoter of Utopian beliefs, a hypnotizer by words. After the establishment of the Provisional Government and his own election as President he acquired some knowledge and some sense. The knowledge was of his own unfitness for the job and the sense was the sense to retire in favour of Yuan-shi-Kai, the only man in China who had it in his power to make or mar the success of the new regime.

Having made one revolution a success, Sun dreamed another. It was the railway revolution. The basis of the scheme was sound. Its detail was childish. It was a gradious plan for the transformation of China into a flourishing state by means of an efficient railway system. It was to cost hundreds of millions sterling. The idea was good, the detail was just rotten. To Yuan-shi-Kai it afforded an excellent opportunity to get rid of Sun's interference with the Central Government. He was appointed President of the Railway Board and established himself at Shanghai.

Whether Sun was disappointed with his treatment, or whether his party, the Tung-meng-hui had grown into a full-blown political organization called the Kuo-min-tang, was grieved at its small share in the new government, or whether both were disgruntled, is a little uncertain. From the end of 1912 trouble was in the air, and the Kuo-min-tang and its leaders were undoubtedly at the back of it. Sung-chiao-Jen, who has been mentioned as the associate of Sun-yat-Sen and Hoan-Hsin in the foundation of the Chinese Reform Movement in Japan, was shot dead on Shanghai station, as he was taking train to Peking to accept Yuan's offer of the Premiership. The murderer was stated to have been hired by Hoan and Chen-chi-Mei.

In March 1913 Sun-yat-Sen arrived in Japan, and from that time the outbreak of a second revolution was assured. Ostensibly his visit was for the purpose of thanking his Japanese supporters for the aid which they had given to the insurrection which had led to the creation of the Republic. Out of many speeches, I select the following passage as typical. On March 9, 1913, speaking at Kyoto, he said : " I have come to Japan to thank this great people for the help they have given us to carry through the revolution in China." Mr. (now Baron) K. Okura, head of the great firm of the Okuragumi, replying to a similar speech at Tokio, said he was very glad to have aided the revolutionaries, and he was willing to do so again. Whether, he was actually at that time engaged in financing another armed revolution in China I do not know, though I suspected it. But some one in Japan was. Baron Makino, Minister of Foreign Affairs, answering an interpellation in the Diet on March 8th, admitted that several Japanese had been recently caught by the Chinese authorities in the act of smuggling arms into Manchuria for use by rebels against the Chinese Government.

The visit of Sun-yat-Sen to Japan had, however, a much deeper object than merely to thank the Japanese for favours received, though that was certainly one motive. The veriest schoolboy recognizes the wisdom, when writing home for a tip, of referring with becoming gratitude to the last *douceur*. In the speech at Kyoto to which I have referred, Sun expressed gratitude for favours received and then expressed his hopes for favours to come. He said : " My aim is the creation of a Republic which shall be uninfluenced by foreigners and unfettered by foreigners. I appeal to the Japanese to give us their help to rid China for ever of its treaties with the foreigners, which impede the commerce and restrict the liberty of the Chinese people." Mr. Okura replied on behalf of the Japanese present, merchants and others who had aided and sympathized with the rebels, and said amongst other things : " I am very glad to have given financial assistance to the revolutionaries, and I shall be very glad to give



further assistance if and when necessary." So Sun-yat-Sen wanted an agreement between Japan and the party which he represented in China for help in upsetting Yuan-shi-Kai, at that time held in office by the moral and financial support of the Powers, and to kick the foreigners out of the Treaty Ports. Mr. Okura, representing his own firm and other firms associated with him in the first revolution, agreed to back him again. Mr. J. R. Kennedy, now the head of the Japanese semi-official news agency, in a message to the *North China Daily News*, went the length of telegraphing: "Sun-yat-Sen is in Tokio to secure the assistance and support of, and, if possible, an alliance with Japan." Mr. Kennedy's connection with the Japanese Government has been so intimate throughout his career in Japan that his assertion may be considered as having the weight of authority behind it.

The Toa-Dobunkai (Asiatic Common Scrip Society) was ostensibly founded for the improvement of Sino-Japanese relations by the adoption of common written characters. It is, in fact, a bureaucratic organization, depending for support on subscriptions from official and semi-official institutions, and its officers are mostly drawn from the ranks of Choshu. Sun-yat-Sen, during his visit to Tokio, was the guest of this Society, and in reply to the toast of his health, proposed by Viscount Kiyoura, the Vice-President and one of the principal henchmen of Prince Yamagata, said:

I deem it a great honour to enjoy your kind reception and express the feelings that are in my heart. If any Europeans or Americans were present this evening, they would be unable to distinguish the Chinese from the Japanese. During my travels in Europe and America I was often mistaken for a Japanese, not only by Europeans and Americans, but even by my own countrymen. I have lived in your country for over twenty years, and regard it as my second home, so that I feel all the pleasure of a family reunion in holding conversation with you this evening. I trust you will treat my speech this evening with all the confidence of so intimate a communion. Japan and China are the only two nations in the Orient which are established to-day as countries worthy of the name, and Japan is powerful enough to maintain the peace of Asia. Your

country adopted a progressive policy over forty years ago, introducing the civilization of Europe and America, recast its laws and regulations, and so has become a world-wide Power, and in your hands the peace of the Orient is assured. Had the influence in the Orient of the European Powers and America been as strong forty years ago as it is to-day, the Oriental countries would have been wrested from the hands of the yellow people. As you are aware, China is known as a conservative country. Yet last year the Chinese broke down the customs of thousands of years and accomplished a great revolution. Now, however, China is faring ill in her attempts at reformation, and is regarded by the world as being in a dangerous position. When I visited Europe and America some years ago, men of thought there feared that a revolution in China would give an incentive for the intervention of the Foreign Powers and result in the dismemberment of the country and our national rights. They therefore advised me to withhold my hand from the undertaking. I did not take their advice, but threw in my lot with the revolution, neither doubting nor fearing, because I was confident that assistance would be given me in the accomplishment of my object. I undertook the work of revolution, relying upon the strong military force and faith of Japan, which I knew would prevent the European Powers and America from dividing the melon among themselves. With this confidence, I pushed on with the work of the revolution, which has now been accomplished.

Three years ago the Turks accomplished as great a revolution as the Chinese, and were warmly acclaimed by Europe and America, who heaped encomiums on the Young Turks. Why has Turkey now become involved in the desperate condition that besets her? It is because she has no neighbours of her own race to come to her aid. China has accomplished a great revolution also, but, though difficulties obstruct her path, she is not following Turkey down the road of disaster. This she owes to the warm support given by your country, and for this I have to tender my sincere thanks to you. I trust China will grow to be a strong Power in the Orient with Japan's help and following her example. So she will check the aggression of the European Powers and of America in Asia, the co-operation of the two countries securing for ever the Orient for the Orientals.

In my present visit to your country I have been accorded the kindest treatment by both officials and the public everywhere as I passed *en route* to Tokio, and this evening you have given this great dinner in my honour. I cannot find words with which to express my thanks. I have worked for my country, travelling in Europe and America, and in Japan, which I have visited over ten times. The patriots of your country have led and taught me, and I deem Japan my second fatherland and your statesmen my

mentors. The political revolution of China has been accomplished, but her national power is still undeveloped, and the Chinese people yet lack intellectual progress. China awaits your saving help. When she was in peril some years ago, the Toa Dobunkai (the Asiatic Common Scrip Society) strongly advocated the maintenance of her integrity. The late Prince Konoye, then President of the Society, and Marquis Nabeshima, the present President, and the members of the Society, have been, and are still, working hard and sincerely for the promotion and the welfare of Asia. On behalf of the people of the Chinese Republic I beg to tender sincerest thanks for the kind assistance given by the Society, and hope it will enjoy everlasting prosperity.

How far Sun received official support in Tokio is doubtful. He declared that he was promised aid. The *Gwaimusho* denied this statement. In view of the fact that M. Ijuin had become *volens volens* a supporter of Yuan and had a strong influence on his brother-in-law, Baron Makino, the Foreign Minister, it may be assumed that Sun was guilty of an "inexactitude." More probable is it that when Sun broached the question he was talked to so nicely that he thought support would be forthcoming. Illusion is the reformer's sweetest mistress! It is likely that the high officials negatively encouraged him on the principle of "heads we win, tails you lose." A second revolution would throw China again into the melting-pot, and there might well be some nice pickings to make up for the disappointments of the first revolution. But any direct association between the Japanese Government and Sun was out of the question. Not only would it have been a gross breach of neutrality when the revolution had broken out, but it would have caused serious international complications. At the very time Sun was in Tokio, the *Oriental Review*, a magazine started in New York by the Japanese Government, published an article by the great visionary, urging a war between China and Russia for the recovery of Mongolia, and advocating the marching of "eight, or, if necessary, ten million men to capture Moscow." Even if Sun's political views had not been enough to damn the idea of openly supporting him, his economic views would have brought down a storm of

ridicule, for in the same magazine he outlined a scheme for reforming Chinese currency by abolishing gold and silver and substituting paper !

If he had no direct official support from Japan, Sun-yat-Sen, who was received throughout the country as a conquering hero, obtained indirect Government support and an enormous semi-official backing. His principal adherents were in the army, always anxious for trouble in China as a good reason for an expansion of the military forces; amongst the opposition parties, the Kokuminto, Seiyu and Doshikai; and amongst the Government contractors and semi-official banks. The promises of support were paid for by promises of mining and railway concessions.

In order to put everything on a proper basis the China-Japanese Industrial Corporation was formed under high official and semi-official auspices. The Japanese president was Baron Shibusawa, and Mr. Kurachi, the Vice-Minister of Foreign Affairs, was transferred from that post in order to fill the office of Managing Director. The capital of the concern originally was £1,000,000 divided between Japanese and Chinese. Dr. Sun-yat-Sen was the Chinese president, and no Chinese except Southerners and adherents of the Kuo-min-tang were admitted. The signatories included the First, Fifteenth, Mitsubishi, Mitsui, Yasuda, Kawasaki, Industrial, Yokohama Specie and Okura Banks. The object of the concern was to acquire, control and develop mining, railway, oil and other industrial concessions in China. It was far and away the most important move made by Japan in China during the year. It is an evidence of the total inefficiency and culpable negligence of our diplomatic and Foreign Office services that, although *Reuter* published at the time the fullest details of the Corporation, three months after it had been started the Secretary of the British Embassy telephoned to ask me if I could tell the Ambassador anything about the concern. Later still, during discussions in the House of Commons in 1915 the Corporation was referred to as one *about to be started*. If one were not accustomed to the shuffling and

lies which are palmed off on the nation as the mystic necessities of diplomacy, one might be disposed to wonder whether Downing Street is peopled by knaves or fools.

It is not to be supposed that Yuan-shi-Kai was not well aware of Sun-yat-Sen's intrigues, and he took what measures he could to nip the trouble in the bud. He sent two envoys, Sun-pao-Kuei and Li-shing-To, to Tokio, but although they were the personal representatives of the Chinese President their reception was far from warm, and they found their offers of friendship and amity at a heavy discount after the splendid illusions which Sun-yat-Sen had scattered broadcast.

The latter on his return to China found the trouble between Yuan and the Kuo-min-tang steadily developing. In May and June arms were pouring into South China from Japan and through Japanese connections abroad. Some, in fact a good many, came from England. I came on the track of several consignments, and in course of conversation told Sir Conyngham Greene, H.B.M.'s Ambassador at Tokio, of them. He had no direct information himself, but he read me a letter from a naval officer, who, whilst on an inspection trip in China, had found ample evidence of Japanese arms being smuggled into that country, a statement subsequently confirmed by proceedings in the Diet.

The following remarks made by the Chinese Vice-President, Li-yuan-Hung, in the course of an interview with Mr. T. F. Millard, editor of *The China Press* of Shanghai, on July 16, 1913, are not without interest in this connection.

The interview then proceeded as follows :

"To what extent is the present revolt being aided by foreigners ?"

The Vice-President thought for a moment before replying. It was evident that this inquiry stirred depths of his feelings, and when he did speak his voice quivered with earnestness and indignation. Whatever view may be taken of the correctness of his opinions, there can be no doubt about his sincerity.

"To a considerable extent. In fact, I do not think it could have been started without foreign help."

"What is the character of this assistance ?"

"Both financial and personal. We know that a number of Japanese are actively assisting the rebels, and some of them are military men. I could, if time permitted, give you a hundred specific instances, all pointing to the same conclusion: which is that Japanese subjects have been active in plots against the Government of China and that the Japanese Government has obligingly shut its eyes to their operations, if indeed it has not rendered direct assistance. Every time we have discovered a nest of plotters, bomb-throwers, and the like, they have been closely associated with Japan and Japanese. They have been constant associates with Japanese, consort with Japanese loose women and bad characters, and arrive and depart by Japanese ships. When detected, those who get off escape this way. This is not accidental, and it is not mere coincidence. That might occur in one or perhaps several cases, but not invariably.

"We have known that for some months Japanese ships plying on the Yangtze River have been bringing in arms and ammunition for the troops at Nanking, Kiangsi, and Hunan, which are now rebelling against the Government. The ships would stop outside Wusung at night and take the cargo aboard from lighters. They would stop in the river at designated places—Kukou was one—and discharge the cargo, also at night. In this way a supply of arms and ammunition was gradually got in which has enabled the rebellion to make a beginning. We regularly had our agents travelling on these ships and reporting what occurred."

"How were these purchases financed?"

"Principally in Japan, I believe. The Kuo-min-tang has not possessed sufficient funds of itself. The recent Japanese loan to Huan is a case in point: \$10,000,000 secured by a concession covering all mining rights in the province. Does any one who knows the East think such a loan could be financed in Japan without the help of the Japanese Government? Silver to pay the rebel troops and keep them together has also been brought by Japanese troops. Ex-Tutuh Li went out by a Japanese ship and returned to start his revolt in one. A Japanese ship or gunboat always has been about whenever required to help anti-Government plotters to escape if they were discovered. I could give you twenty instances. We know the names of some Japanese who have been helping the conspirators."

Here Li yuan-Hung took a pencil, tore a page out of a note-book and wrote in Chinese characters two names.

"Here," he said, "are their Chinese names. I am not sure about their names in English, but I think——" (repeating two well-known Japanese names). General Li then showed me some documentary evidences of Japanese complicity in revolutionary conspiracies.

"What object would Japan have in fostering disorder in China?" I asked.

"Japan does not want China to grow strong," he replied. "That is her broad political object, and she adopts various means of keeping China back and retarding her development. One way to keep China weak is to split the country into two or several parts, each arrayed against the others. A way to retard and prevent our development is to put obstacles in the way of introduction of modern industrialism."

The second revolution broke out early in May with mutinies of the troops stationed at Wuchang and Hankow. It spread fairly rapidly. Japanese sympathizers and newspapers quickly magnified it into a war between North and South, for which there was not the slightest justification. Sun-yat-Sen's friends in Japan brought every possible pressure to bear on the Government to induce it to lend official and military aid to the Kuo-min-tang. Mr. Ozaki, leader of the Seiyu (late Minister of Justice), Mr. Inukai, leader of the Kokuminto, Mr. Toyama, a prominent M.P., and Dr. Terao were conspicuous in their endeavours, even going so far on June 6th as to form a delegation to the Foreign Minister to demand the abandonment of the policy of neutrality and the supply of military aid to the rebels. Baron Makino stuck to his guns even in the face of mob demonstrations and the murder of Mr. Abe, the Director of the Political Bureau at the Foreign Office.<sup>1</sup>

The revolution failed. The great triumvirate Li-yuan-Hung, the Vice-President, Chang-hsun, the ex-robber and Hsu-pao-Sah held the country down for Yuan-shi-Kai, and Sun-yat-Sen and Hoan-Hsin bolted, stowed away on a Mitsu Bishi collier, to Japan. The Treasurer of the Railway Board, Chang and General Chen-chi-Mei followed, the former being thoughtful enough to bring with him the Department's cash and books.

There was one interesting incident reported in connection with this revolution which came under my notice. One of the prominent refugees had a lady typewriter, who

<sup>1</sup> It is worth noting that political assassination is approved of by Japanese morality and law. The murderers of Mr. Abe were not executed.

acted as his European secretary. She was a very pretty girl and accompanied him on his flight to Kobe. Later she went to Tokio, where she lived in a small Japanese house, in Reinanzaka. She was inordinately fond of foreign dress and was constantly to be seen sunning herself in European *toilettes*. After matters had died down she received from Peking a magnificent golden-corn brocade dress, embroidered with pearls. Accompanying it was the laconic note "for services rendered," or the Chinese equivalent. It was a beautiful dress, and I have no doubt that she thoroughly deserved it.

There were three regrettable incidents so far as Japan was concerned during the revolution. One was the death under torture by the Japanese gendarmes of a Chinaman at Chang-chun. Of the facts there is little doubt, despite the denials from Tokio—the man was attended by a Scotch doctor. The Chinese retaliated by establishing a boycott of the Mitsui Bussan, which caused that firm a good deal of trouble.

The second was the Nanking incident. During the fighting at that city the troops of General Chang-hsun killed three Japanese, one a barber. The records seem to show that barbers have played the same rôle in Japan's dealings with China as missionaries have in European dealings. "Dead barber" spells "concession" exactly as did "dead missionary." The facts of the case were that the Japanese Consul ordered his nationals into the consulate for protection. These three men left the consulate against orders, and were shot in the course of the street fighting. An immense uproar broke out in Japan, fostered by the military authorities. Japan demanded an enormous indemnity and a personal apology by Chang-hsun and his dismissal. The latter for a long time refused to apologize, *because he had no general's uniform* decent enough for such an occasion. Eventually he agreed to call on the consul. On the day appointed he called, but adroitly saved his face by calling on every foreign consul, in Nanking, an action Mr. Funoshi, the Japanese Consul, described as "treachery." As for his dismissal, that was



never finally settled. The indemnity of Y200,000 was, of course, absurd, but its demand was in entire keeping with the Japanese policy of milking China.<sup>1</sup>

The third incident was at Changli, where Japanese troops committed an unprovoked assault on Chinese and, as the latter ran away, fired on them, killing five. Japan at first claimed on China, alleging that the Chinese, who were unarmed, had assaulted the Japanese soldiers. In the end Japan agreed to pay some money "as alms" to the relations of those killed.

An incident unimportant in itself but typical of Japanese arrogance occurred at Chang-chun. The Chinese police at that place fired on some Chungchuses (bandits), who fled into the Japanese railway zone, where some of the bullets also fell, harmlessly enough. An incident arose, settled, as the *Osaka Mainichi* relates, as follows :

The Chinese Commissioner, dressed in full uniform, came to the Consulate at Chang-chun, and humbly apologized to M. Kibe, the Consul. The latter, instead of being harsh with him, gave him good advice how to educate his police properly, for which kind treatment the Chinese magistrate sincerely thanked the Consul.

On November 4, 1913, Yuan-shi-Kai played a Cromwellian coup. The head and branch offices of the Kuo-min-tang were surrounded, the members expelled or arrested and their papers seized. Amongst the memoranda was complete evidence of the connection between the Kuo-min-tang and its allied party, the Min-hsien-tang, and the Kokuminto in Japan, and of plans of rebellion covering Hupeh, Kwangsi, Kwangtung and Kiangsu. The ramification went even further abroad, for the papers showed a proposal to raise a rebellion in Tonkin and Annam. The incriminating papers were photographed, and photographs and originals handed to various of the Foreign Ministers at Peking, including both the British and the French. The evidence of Japanese participation in the

<sup>1</sup> When the quintuple loan was completed, £2,000,000 was agreed upon as a sum to be set aside to meet foreign claims, arising from the revolution. Japan demanded £1,100,000 of the amount

rebellion was so complete that it gave Yuan a strong diplomatic weapon in his future dealings with that country.

The failure of the second revolution was a blow to the China-Japanese Industrial Corporation. It was so closely allied with Sun-yat-Sen and the Kuo-min-tang that many of the Southern merchants, who had promised to take up shares, now refused to do so. The Chinese Chambers of Commerce had no interest in politics and no sympathy with the revolutionaries. They sent a delegation to M. Ijuin at Peking urging on him the vital necessity of Japan disassociating herself from the rebellion, and threatening unless this were done that the Chinese merchants would start a boycott of Japanese trade. They said that what China wanted was peace and quiet, and that any rebellion, especially if fostered from outside, could only result in disturbing the commercial relations with the Powers and possibly in the outbreak of war.<sup>1</sup> The following incident was brought to my notice when in Shanghai: During the attacks on the Arsenal, the manager of a garage received instructions to send a car to a Japanese hotel in Boone Street at nine o'clock one evening. He sent a big car with a Chinese chauffeur. Two Japanese came out of the hotel and loaded the car up with boxes, ordering the chauffeur to drive out towards the Arsenal. The chauffeur cranked up the engine, but owing to some minor misadjustment he could not start the engine. He therefore went into the hotel and telephoned to the garage to send another car. The manager, a Scotchman, came down with a mechanic in a second car. When the two Japanese, who had been bursting with excitement, saw the foreigners

<sup>1</sup> Japanese participation in the rebellion was never desired by the Tokio and Shanghai authorities, who limited themselves to saying that such participation had not their approval, and was at the risk of the individuals. The incidents connected with the steamer *Kuingyung* emphatically proved the presence of Japanese in the fighting line, whilst the Departmental Order of the Ministry of Communications of July 25th is corroborative evidence of the supply of arms to the rebels from Japan. The official disclaimer issued by Baron Makino and M. Ariyoshi in no way freed the Japanese Government from the responsibility of better controlling its nationals in China. More rigorous measures were taken later on, but only after representations from Foreign Powers.

they dashed into the hotel, out at the back-door and disappeared. The manager was much surprised at this, and made inquiries in the hotel, where the two visitors were promptly disavowed. He decided to unload the car and take it back to the garage. In doing so the side of one of the boxes fell out and hundreds of cartridges followed. A message to the police station brought an inspector, who impounded the whole load, which was found to consist exclusively of cartridges. The two Japanese were never discovered.

The final upshot of the China-Japanese Corporation was that Yuan refused to recognize it, unless Northerners were admitted to be shareholders and a nominee of the Chinese Government was president. Baron Shibusawa went to China in 1914, ostensibly to visit the tomb of Confucius—at which point he never arrived—and terms were arranged. As the result, however, of the Japanese demands in 1915 and the evident intention of the Japanese Government to get the Hanyehping works and mines transferred to the Corporation, Chinese interest in the same is again on the decline.

I have little further to add with reference to the Japanese treatment of China as it came under my immediate notice. A united and strong China is the last thing which Japan wants. That would, once and for all, settle the peace of the Far East, though greatly to the disadvantage of Japan. That country therefore picked every opportunity of creating difficulties for China, either by aiding revolutionaries against the President or by offering an inert opposition to any reform movement. It was the refusal of Japan to agree to the abolition of *likin* and the raising of the Customs duties to 12½ per cent., as Sir Robert Bredon proposed, which shelved a most important measure, necessary alike for the improvement of Chinese revenue and of Chinese credit abroad.<sup>1</sup>

<sup>1</sup> The Japanese Government argues that 5 per cent. is a revenue basis but 12½ per cent. is a protective tariff, under which the Chinese would find it more economical to manufacture rather than to import. The present tariffs were fixed on the import prices of ten years ago and the

Unfortunately the Japanese attitude receives a considerable amount of support from other foreign countries. However advantageous any proposed change might be to China, it is sternly vetoed if it operates disadvantageously to any foreign interests. China is the biggest "squeeze" that the civilized nations have ever got hold of, and they intend to keep it. The foreign attitude towards China is principally dictated by the national and international rings, banks, railway builders and commissionaires, which have monopolized foreign interests there for so many years. There is not one nation which can truly say that it has ever placed the necessities of the four hundred odd million of Chinese before its own greedy requirements.

But of all the nations Japan has been the worst. From the Premier, Count Okuma, who wrote in *The Japan Times*, in 1913, "China is outwardly and inwardly filthy and must learn the all-important truth that the Japanese Empire is not one with which she can trifle," down to the youngest recruit of the Japanese army, there is not one who does not regard China as an orange to be squeezed dry for the greater honour and glory of the Imperial Ancestors. It does not matter what humiliation and what submission China suffers, Japan is never satisfied. In 1895, under pressure of Russia, Germany and France, Japan retroceded Liaotung. In the very next year Mr. Adachi, Director of the Japanese Oriental Information Bureau and a trusted official of the Japanese Government, wrote: "We cannot get over the idea that South Manchuria is ours, because China ceded it to us in 1895. True, Russia, France and Germany robbed us of it. But one thinks that his jewel is still his even after it is stolen."<sup>1</sup> The indemnity of Y30,000,000 was not mentioned.

Again, Dr. Ariga, writing in *The Diplomatic Review*, after the Russo-Japanese Agreement of 1910, said:

export prices of fifty years ago, and represent an average of  $2\frac{1}{2}$  per cent. to 3 per cent. The proposed change would benefit China to the extent of £1,250,000 per annum.

<sup>1</sup> *Harper's Weekly*, 1906.

The new agreement is quite advantageous to Japan. The only question is, What will China think of it? She may deem it at variance with her desire to recover her rights. We cannot now say what will happen when the Japanese lease expires, but this much I can say for certain—Japan will apply to continue it and will be backed by Russia. In return Japan will back Russia when the latter refuses China permission to repurchase the Manchurian Railways at the end of the thirty years provided for under the Russo-Chinese Contract. China certainly is not bound to grant the demands of Japan and Russia, but in that case she will have to resist Russia and Japan united.

Dr. Ariga was attached to Prince Ito's suite at the Treaty of Shimonoseki and to Marquis Komura's at the Treaty of Portsmouth as Adviser in International Law,<sup>1</sup> and is a high official of the *Gwaimusho*.

Baron Kato, reviewing his action in forcing the Twenty-one Demands on China in 1915, said: "Some people blame me because my diplomacy has wounded China. One cannot obtain much without giving anything. Consolation may be found that we have gained so much and wounded China so little" !

Japanese diplomacy towards China is insincere from beginning to end. Her record has been an orgy of extortion. In the gentle art of squeezing, the Western Powers were certainly first, but Japan has bettered her teachers and made up for lost time with ferocious interest. She has been allowed by the other nations to do this because of her glib talk of commercial and military propinquity and social relationship. Baron Kato's and his predecessors' "We know China best," "China and Japan are the lips and the teeth," and other "slush" talk, has been taken at its face value, and China's immense riches and population have been thrown as a sop to greedy Nippon.

It will be interesting to see the end of it all. If the survival of the fittest is really a test of nations, China will long survive Japan. Every day she is gathering force, and ever since the Manchus fell she has been learning self-

<sup>1</sup> By the Sino-Japanese Treaty of 1915 China was forced to extend the lease of the Kwangtung Peninsula and the S.M.R. for ninety-nine years.

control and self-sufficiency. *Le temps fortifie ce qu'il n'ébranle pas*. It is not unreasonable to believe that one day she will be able to turn on Japan, and then, as an American Consul-General put it, there will be "a hell of an account" to settle. If China ever becomes a first-class Power, Japan will go down with a good, hard bump into the second class. But Japan will do her best to keep China where she is.

In other directions, however, Japan's policy in China will have serious results for her. After the war with China Asiatic races undoubtedly looked to her as a future leader of Asian hegemony and uplift. Her policy in China, her treatment of Korea and Formosa, have dispelled all illusions. She is recognized by white and yellow races as a Great Power, but also as the greatest of all in bullying and robbing the helpless and the feeble.

The following remarkable letter written by Dr. Sun-yat-Sen to one of his supporters in Peking was published by *The Peking Gazette* in November 1913. After publication I inquired as to its authenticity, and have the best reason to believe that it was actually written by Sun. It is an extraordinarily vivid human document, and goes some way to prove that Sun-yat-Sen was honest, if misguided, in his close association with Japan. Probably he agreed with the axiom that there are times when a man must sell half his soul to preserve the rest. Unfortunately he forgot the equally true axiom that the hour brings its creditors. Time is an inexorable accountant whose books are always posted. He began politics as an influence: he degenerated into a character. His career largely exemplifies the statement of a French cynic: "Every man has three characters: that which he has, that which he shows, and that which he thinks he has." His letter was as follows:

MY DEAR FRIEND,

Since we parted the circumstances of the country have undergone countless changes. I am very much obliged to you for sending me letters showing that you still cherish the old friendship between us.

I, Wen, have met with many reverses, on account of my want of ability. Formerly I was outlawed by the Manchu despotic Government, being an exile abroad for more than ten years; but now I have been expelled by the Republican Government of the Heavenly Han, taking refuge in foreign countries without any fixed date of my return. However, the critics have said that I, Wen, am solely to blame and that I have invited calamity upon myself. If these critics be right, I have no complaint, even should I meet with a thousand deaths. But the real truth is known only to myself and Heaven, and even an intimate friend like you cannot know the whole truth. In the stillness of the night I always feel full of indignation and intolerable feelings; therefore I venture to open my mind to you.

Success or failure are rather due to chance, but it is difficult to discern the real facts. When I fled to foreign countries during the Ching Dynasty the Government set a price on my head, and I fell into the snares of the wicked when residing in London. At that time I was put in an empty cold room with a dim lamp, becoming meaner than a little ant, waiting to be shipped back to mount the scaffold, without the least hope of continuing this life on earth. However, the Will of Heaven is always kind. It could not bear to see the purposes of Wen frustrated half-way, and caused a helpless English woman-servant to save me out of this great calamity. Thus the fate of Wen has been ordered by Heaven, and no man can do anything against it. Moreover, once I went to Canada, and at the time when I returned to New York I could not sleep for three days, contracting there a severe and dangerous illness, which I thought would end my days. However, I recovered. During these long years I have met grave dangers several times, in each of which I had a hairbreadth escape from the jaws of death. These could not be attributed to my luck and fortune, but revealed the hand of Heaven. The statements I have made above are not lies, which would tend to encourage superstition among the common people. I accepted Christianity when I was still young, and ever since I have been deeply convinced that there is a God, who is unseen and supreme. I have believed that whoever wants to move the world and to save the people will undoubtedly obtain His protection and assistance. The Chinese proverb says, "Heaven grants the desire of man." However, this is not the peculiar experience of Wen. The only thing is that I have committed my life to Heaven, and I will go ahead to do anything which is righteous with full courage, disregarding success, failure or any other consideration. Was not Socrates a great philosopher? But we cannot exclude him from the circle of sages because of the unfortunate death he met. Poor as I am, conscience has satisfied myself, but it must be understood that I have not ventured to compare myself with Socrates.

However, in the time when I met with failure, not only the Manchu Government and the majority of the Chinese people hated me, but all my friends and relatives reviled me, calling me bad names, such as prodigal, etc. Those who had the reputation of being heroes or upright men kept themselves away from me, and dared not to mention the name "Sun Wen." Later on, when the standard was raised at Wu-Han (Wuchang), and the Han Family was restored, I, who returned to my own country without achieving anything, met welcome from every side. The sound of applause resounded from the south to the north, and I met with a cordial reception everywhere. Finally, I was entrusted with the august responsibility of Provisional President. At this time every one thought that I, Wen, was at the zenith of my glory. However, they failed to see that I was very much ashamed of myself. Therefore, after the consolidation of the South and the North, I determined to retire. I therefore recommended Mr. Yuan to be Provisional President. I knew very well the political experience of Mr. Yuan; therefore I recommended him without hesitation. I left my mother-country at a very early age, and had never served with Mr. Yuan; therefore I had not any grudge against him. Had I been jealous of his ability, I would not have recommended him to this responsible post. This was apparent to the whole world, which knows very well the above facts. My friend, am I not speaking the truth? This letter of mine is only intended to show my heart to you, and I am not like a lawyer, trying to defend the cause of his clients.

You may demand, Why then are you against Mr. Yuan, while you have professed to have confidence in him? This is not the case; I am not at all against Mr. Yuan, but Mr. Yuan has been against the Republic. The nature and principle of the Republic is equality, but the policy of Mr. Yuan is despotism. The laws of the Republic are just and fair, but the measures adopted by Mr. Yuan are unjust and unfair. With regard to his appointment of officials, it is only intended for his protégés. With regard to the organization of the army, he expends the public money in order to collect together men who would serve him individually. With regard to his orders, they are no less than the edicts of an emperor. There are many other things which we have no time to enumerate. All those who are at variance with his will will be driven away. In fine, the policy of the administration of Mr. Yuan is despotism. There is no doubt that he has great ability, deep knowledge, and rich experience, but all of them are the old stuff of the despotic age unsuitable for the civilized age of the new administration of the Republic. Therefore, when I am against Mr. Yuan, I am against his policy, and not against Mr. Yuan himself individually. Mr. Yuan is still my friend. The reason that I have tried to do what



others have felt difficult is that I may serve the interest of my country and my fellow-citizens, and I am not seeking my own ends. I should like to say that I have long abandoned the desire for selfish gains or interest, and if you are not inclined to believe me I will give you the following proof:

Were I bent upon the pursuit of political aggrandizement, struggling with others for ascendancy, why should I enter upon a common business such as railways? My family home is at Hsian-shan, near to Macao, and from my youth up I lived in a farmstead, where I saw all the difficulties of the poor farmers. In the night-time I used to meditate that should I be able to save these poor souls out of their misery I would not hesitate to forward the plan, even if I had to tear my flesh and bones to pieces, and to wade through water and fire. After continual meditation I arrived at the conclusion that as there has been want of proper means of communication for this vast country and its natural resources, unless railways be built there can be no salvation for the nation and its people from poverty. Therefore I devoted my full energy, and made all plans, wishing that the construction might be finished as soon as possible, so that the people might obtain relief from their misery. Those who do not understand me have made use of the rebellion in the South to speak evil against me. They say that I have cherished selfish ideas. They have even drawn upon their imagination, and recorded slanders in the Press to be published to the world for the destruction of my reputation. Thus the lie has spread from one end to the other. They have denounced Wen as an enemy to the administration of the Republic. However, the lie cannot affect me a bit, and the only thing I can do is to laugh at it.

However, I have a friend in my wife, who has the same mind with me. I bought a foreign building at Shanghai as my residence, but my wife loves our native place, and returned to Kwangtung with our daughters. She forsook the luxury of Shanghai, willing to live in a secluded place, and she prefers to reside among the poor and miserable villagers rather than among persons of higher ranks. She has been in sympathy with the purposes of my heart. If I, Wen, have a desire for riches and honour, how could I allow my good wife and loving daughters to depart from me? Finally, my elder daughter died in Macao, and from a distance of thousands of *li* I hurried back to bury her. I have met with adversity after adversity, and how can it be said that I still have a mind to contend with others for political power? Thus has been my character, and will not you, my friend, believe me? From the very beginning I have adopted the principle that I would never contend with others for power or interest. I think you have noticed this characteristic in me, as we have been friends for so long a time.

If you say that the Kuo-min-tang has done things too urgently,

I agree with it. However, on this point I want to say something. If it be said that all the members of the Kuo-min-tang are good men, I do not believe it, but if it be said that they are all bad characters, even you will not support it. According to my opinion all the gentlemen who have recently raised their standard in the south of the Great River, declaring that they would punish Yuan, are all patriotic men who want to protect the Chung Hua Min Kuo, and I should give you the following explanation: The Kuo-min-tang has its origin in the Tungmenhui, which was the organ of revolution against the Manchu Government. Hence there has been great and close relationship between these two parties. The instrument which brought about the revolution is therefore this Tungmenhui organ. The prodigious sacrifice of lives during the revolution came from this Tungmenhui. Thus the Tungmenhui gave birth to the revolution, and the revolution produced men who were to sacrifice their blood to uphold the righteous standard of Wu-Han so as to bring forth this Chung Hua Min Kuo. During the battles of Nanking and Hanyang, thousands and thousands of the members of the Tungmenhui fell as victims.

In the time of the Chow Dynasty, a seven-year-old son of a woman, who was the subject of the Chu Kingdoms, was carried away by a tiger, and she fought with the brute so desperately that she recovered her child. My two daughters once planted some flowering plants, but accidentally the servant broke some of the flowers, and my daughters were very sorrowful over the event. This Chung Hua Min Kuo is the above child, and this Chung Hua Min Kuo is the flower of liberty. It has been nourished and raised by the Tungmenhui; therefore it is but a matter of course that the Tungmenhui should love the Chung Hua Min Kuo more than others do. Although this time the Kuo-ming-tang has failed in its attempt, it has been sufficient to cow Mr. Yuan, who hereafter will not dare to exercise the despotism of Napoleon. Thus he has profited by this uprising. However, we are not in a position to prophesy the future of Mr. Yuan, but it is certain that he will become the formal President of the Republic. I cannot say just now whether he would change his policy regarding the appointment of officials and the administration. I, Wen, will observe the events carefully. But with regard to the destiny of the Kuo-ming-tang, it will have the final victory.

I hope that you will not change your principles, but go on steadily and patiently until the end. Let patriotism be your model, and it is certain that better days will come. Perhaps I will remain here, or I may pay a visit to America. As to my return to China, I must wait for some future opportunity. It is not because I am afraid to return to my country, for as I am in the right, I am not afraid of death. If the law were made by individuals I, Wen, would have

died long ago, but as the law has been written in the hearts of men and the principle of morality, it is therefore left for the public to judge whether I have been an offender or not. Should nobody in the present age be my judge, posterity will be able to pass the verdict upon me.

Alas! I was a fugitive during the Manchu Dynasty, and I am now a fugitive of the Chung Hua Min Kuo. I do not understand all these vicissitudes. However, it may be a comfort for you to know that my humble body is in good health. I am writing under strong sentiments, and I am unable to know what I am writing myself.

That neither Sun-yat-Sen nor his Japanese bankers gave up hopes of finally ousting Yuan and throwing China into anarchy may be gathered from the following :

SHANGHAI, June 17, 1914.

The *North China Daily News* publishes a letter alleged to have been addressed by Sun-yat-Sen to a prominent Japanese, in which he recommends a close co-operation between China and Japan in the interest of both countries.

He shows how, in case Yuan-shi-Kai is removed, and the Young China party comes into power, Japan would be given a monopoly of commerce in the whole of China by a Customs union between the two countries, by which means Japan, which has arrived at the end of its means, would be enabled to create for itself a second India without a stroke of the sword, and without even being compelled to maintain a garrison.

It is by India that England has gained its foremost position in the world, says the revolution leader.

Sun-yat-Sen, moreover, promises to let Japan compile the law codes for China, and to abolish the extra territoriality of foreigners.

China should, he says, take over the Maritime Customs.

He asks Japan for support in China's foreign affairs.

Sun-yat-Sen declares a new revolution to be unavoidable, and says that an uprising has more chance to-day than ever before.

If Japan sided with the revolution, no serious resistance would be expected.

England would surely agree as soon as Japan submitted a project by which lasting peace in China would be assured, the letter concludes.—*Reuter*.

The following is the text of an agreement entered into by Sun-yat-Sen and certain Japanese during 1915 to create a third revolution in China :

In order to preserve the peace in the Far East, it is necessary for China and Japan to enter into an offensive and defensive alliance whereby in case of war with any other nation or nations Japan shall supply the necessary military force, whilst China shall be responsible for finance. It is impossible for the present Chinese Government to work hand in hand with the Japanese Government, nor does the Japanese Government desire to co-operate with the former. Consequently Japanese politicians and merchants who have the peace of the Far East at heart are anxious to assist China in a reconstruction. For this object the following Agreement is entered into by the two parties :

1. Before an uprising is started, Terao, Okura, Tseji Karoku, and their associates shall provide the necessary funds, weapons and military forces, the funds so provided not to exceed 500,000 yen, and rifles not to exceed 100,000 in number.

2. Before the uprising takes place the loan shall be temporarily secured by 10,000,000 yen worth of bonds to be issued by Sun Wen (Sun-yat-Sen). It shall, however, be secured afterwards on all the movable properties of the occupied territory. (See Article 14 of this Agreement.)

3. The funds from the present loan and the military force to be provided are for operations in the provinces south of the Yellow River, viz. Yunnan, Kweichow, Hunan, Hupeh, Szechouan, Kiangsi, Anhwei, Kiangsu, Chekiang, Fukien, Kwangsi, and Kwangtung. If it is proposed to invade the northern provinces, north of the Yellow River, Tseji Karoku and his associates shall participate with the revolutionists in all deliberations connected with such operations.

4. The Japanese volunteer force shall be allowed from the date of their enrolment active service pay in accordance with the regulations of the Japanese Army. After the occupation of any place, the two parties will settle the mode of rewarding the meritorious and compensating the families of the killed, adopting the most generous practice in vogue in China and Japan. In the case of the killed, compensation for each soldier shall, at the least, be more than 1,000 yen.

5. Wherever the revolutionary army establishes itself the Japanese military officers accompanying the expeditions shall have the right to advise a continuation or cessation of operations.

6. After the revolutionary army has occupied a region and established its defences, all industrial undertakings and railway construction and the like, not mentioned in the treaties with other Foreign Powers, shall be worked with joint capital together with the Japanese.

7. On the establishment of the new Government in China, all Japan's demands on China shall be accepted by the new Government and recognized as settled and binding.

8. All Japanese military officers of captain's or higher rank engaged by the Chinese revolutionary army shall have the privilege of being continued in their employment without a limit as to date, and shall have the right to claim such employment.

9. The loan shall be paid over in three instalments. The first instalment shall be 400,000 yen, the second instalment . . . yen, and the third instalment . . . yen. After the first instalment is paid over, Okura, who advances the loan, shall have the right to appoint men to supervise the expenditure of the money.

10. The Japanese shall undertake to deliver all arms and ammunition in the districts of Jih Chao and Haichow.

11. The payment of the first instalment of the loan shall be made not later than three days after the signing of this Agreement.

12. All the employed Japanese military officers and Japanese volunteers are in duty bound to obey the orders of the commander of the revolutionary army.

13. The commander of the revolutionary army shall have the right to send back to Japan those Japanese military officers and Japanese volunteers who disobey his orders, and their passage money shall not be paid if such decision meets with the approval of three or more of the Japanese officers who accompany the revolutionary force.

14. All the commissariat departments in the occupied territory must employ Japanese experts to co-operate in their management.

15. This Agreement takes effect immediately it is signed by the two parties.

The foregoing fifteen articles have been discussed several times between the two parties and were signed by them in February. The first instalment of 400,000 yen has been paid according to the terms of this agreement. <sup>1</sup>

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<sup>1</sup> The *National Review*, Shanghai, April 24, 1915.

## CHAPTER V

# JAPAN, AMERICA AND MEXICO

1911-14

"What proceeds from you, will return to you."

MENCIUS.

UNTIL the Treaty of Portsmouth the relations between the United States and Japan were those of the highest mutual respect, amity and sincere admiration. Since the closing of the Russo-Japanese War, in spite of, though perhaps because of, President Roosevelt's great services to humanity and to Japan, this traditional friendship has been shattered, to be replaced on the one side by deep suspicion and in certain localities by bitter hatred; and on the other by an unrest, almost amounting to hatred, and which at times swells to such a point as to bring the possibility of a war well into view. Indeed, matters have gone so far that many responsible personages in the United States do not disguise their belief that a day will eventually come, and is not far distant, when Japan and the States will have to fight out their differences. There are many Japanese prominent in the army and the navy, as well as in politics, diplomacy and finance, who have arrived at the same state of mind, though with very considerable regret on their part.

To read the newspaper and magazine articles on the relations between Japan and the States, one might suppose that the whole question was enclosed by the disputes between the two countries in regard to emigration and land-ownership. The real difference is one which goes far deeper than the landing of coolies in California, or the ownership of the strawberry farms of the Santa Barbara

Valley. Rather is the question one which concerns the whole of the relationship between the yellow and the white races, and on which depends to a considerable extent the future control of the Pacific Ocean. Rudyard Kipling's "East is East and West is West, and never the twain shall meet," is claimed to be the root of all Americo-Japanese difficulties. It is, but not in the sense that is generally understood. The question whether or not the Japanese are assimilable is beside the point! Whether Japanese are a Mongolian race and so unable to be naturalized in America is a side issue! The real problem is whether or not the Japanese are to become the masters of the Pacific and the dominators of Oriental politics. Every other question which has arisen between the States and Japan from 1906 to the present time is in fact a local and subsidiary one. An American Ambassador at Tokio said to me in 1912:

Not one American in a million on the other side of the Rockies cares a straw whether the Japanese own land in California? The land question is a purely local affair. But hundreds of thousands, even millions, of Americans care very much whether Japan is going to control the Pacific and China.

The Americo-Japanese disputes did not begin in America. They had their origin in Manchuria. The local squabbles in California, Oregon, New Mexico and elsewhere, which are not confined to the United States but are part and parcel of the current politics of Canada, Australia, New Zealand and Brazil, are domestic problems. Truth to tell, the Californians have vastly exaggerated the so-called "Yellow Peril," under the excitement of local politicians and the stimulation of trade union rivalry.<sup>1</sup>

<sup>1</sup> According to the census of 1910 the Japanese constitute exactly 2.39 per cent. of the total population, which to the average person would not seem to be a very serious menace to the remaining 97 per cent. This Japanese population is distributed throughout the entire State, and does not form a great mass in any one city or country. Thus, in the country of Los Angeles, with a total population of 504,131, there were 8,461 Japanese, or 1.68 per cent. Surely, no great menace here. The highest percentage, although not the largest number, is in the county of Sacra-

Except in isolated cases the Japanese legally have not a leg to stand on, for in Japan the Japanese authorities have consistently imposed the same restrictions as those which the various foreigners have imposed on Japanese. A foreigner who seeks to buy land in Japan cannot do so unless he converts himself into a Japanese juridical person, or buys it by a most expensive and complicated process known as "*superficies*" in the name of a Japanese. In that case he has legally no control of the land, and his Japanese representative can—and cases have not been infrequent—sell it or mortgage it without his knowledge or sanction. *Superficies* is simply a method of driving a coach through the law, and is attended with all the risks and disabilities of such a process. It is not a good title to land, and cases of estreat and fraud in connection with its use have become so common that no foreign lawyer

mento, where 5.71 per cent. of the population is Japanese, or 3,874 out of a total population of 67,806. The largest agricultural holdings of the Japanese are in Fresno county, where there were 2,233 Japanese out of a population of 75,657, or a percentage of 2.95. Just now the greatest complaint against the Japanese is that they are gobbling up all the choice agricultural lands, but here again the figures do not sustain the allegation. The Census Report of 1910 gives California a farm area of 27,931,444 acres, of which the Japanese held 99,254 acres. Curiously enough, the last report of the California Bureau of Labour Statistics credits the Japanese with the ownership of only 12,726 acres, but even if the higher figures are accepted as correct, the land swallowed up by the Japanese does not seem to be very formidable. The value of this farm land is estimated at \$609,000, and the value of all the farm lands of the State, using the figures of the Federal Census, is \$317,195,448. Reduced to percentage, this is rather less than five ten-thousandths! These few figures would seem to prove that the civilization of the white man is in no immediate danger, but if it has been in danger and has successfully withstood the menace the peril is now over, as the flood is subsiding. The report of the Federal Commissioner of Immigration for the year ending June 30, 1912, shows that during the years 1911 and 1912 5,358 Japanese arrived and 5,437 departed, a decrease of 79. The Commissioner notes that "a large percentage of those who have recently come have been wives and children of Japanese already in this country." During the period mentioned, 425 farm labourers arrived and 185 departed; under the head of "miscellaneous," chiefly unskilled labour, there were 2,384 arrivals and 4,140 departures. The dispassionate outside observer is forced to the conclusion that "the Yellow Peril" exists in imagination only.—A. Maurice Low in "*The Morning Post*," May 29, 1913.



in Japan is nowadays willing to advise his client to risk his money in such an investment. In 1909, after acrimonious debate, the Diet passed a law to permit foreigners to own land by ordinary purchase and title. This law at first created some favourable sentiment towards Japan, which was the reason why it was passed. It has, however, never become substantive law, because the Privy Council has hitherto refused to promulgate it. In May 1913, when feeling was very strong in California and the Japanese restriction on foreign ownership was a powerful argument, I received a visit from one of the secretaries of the Privy Council to inform me that the regulations and promulgation of the law were shortly to be considered and issued. It was another "favourable sentiment" effort. As a matter of fact, nothing has been done during the six years which have elapsed, and it is quite probable that nothing will be done.

A similar state of affairs exists in respect to the emigration problem. Neither America nor any other country has ever objected to the admission of Japanese bent on study or investigation, or as tourists. What they object to is an influx of Oriental labour, which is able to underbid white labour and in certain districts to monopolize definite industries. The objection to the importation of foreign labour is just as strong with the Japanese as it is with the Californians or the British Columbians. But the Japanese authorities have acted much more stringently than those of America or Canada. The importation of foreign labour into Japan is strictly forbidden.<sup>1</sup>

<sup>1</sup> IMPERIAL ORDINANCE No. 352.

*Article 1.*—Foreigners who either by virtue of treaty or of custom have not freedom may hereafter reside, remove, carry on trade, and do other acts outside the former Settlements and mixed residential districts. Provided that in the case of labourers they cannot reside or carry on business outside of the former Settlements or mixed residential districts, unless under the special permission of the administrative authorities.

The classes of such labourers, referred to in the preceding clause,

It is the same with the naturalization question. The Japanese press claims from America the right of naturalization for those of Japan's sons who may go to the States and wish to settle there. But in Japan a foreigner cannot be naturalized in this manner. Naturalization is open to a foreign man or woman, but it is by a route so roundabout that it is practically never taken. A foreign man can become a naturalized citizen of Japan by being adopted into a Japanese family and by taking a Japanese name. A foreign woman can be naturalized by marrying a Japanese subject.

In November 1912 an American lady resident in Tokio, who was seized of the desire to become a Japanese, applied to the American Consul-General at Yokohama for information, to which the Consul-General replied that there was no method of naturalization except marriage with a Japanese, a step from which she shrank.

The number of cases of foreign men becoming Japanese citizens is very limited. I cannot recollect more than a dozen, of which that of the late Lafcadio Hearn is, of course, the classic example. There are a certain number of cases of foreign women acquiring Japanese citizenship by marriage. The best known cases are the Baroness Sannomiya, the ex-Mistress of the Robes, and the Viscountess Aoki, widow of the well-known diplomat.<sup>1</sup>

and details for the operation of this Ordinance, shall be determined by the Minister for Home Affairs.

*Article 2.*—Persons infringing the proviso of Clause 1 of the foregoing article shall be sentenced to a fine not exceeding ¥100.

#### HOME OFFICE NOTIFICATION No. 42.

*Article 2.*—The labourers mentioned in Article 1 of the Imperial Ordinance No. 352 shall be men engaged in labour in agricultural, fishing, mining, civil engineering work, architectural, manufacturing, transporting, carting, stevedoring and other miscellaneous work. Provided that this rule is not applicable to those who are employed in household services, such as cooking and waiting.

*Article 3.*—Permission given to labourers by a local Governor (the administrative authority under the Act) may be cancelled at any time when such cancellation may be deemed advisable for the public good.

<sup>1</sup> Alliances between Japanese men and foreign women have not proved very successful. In many cases Japanese officials stationed abroad have contracted such marriages, but the wives when they have arrived in Japan

If, for example, a foreigner, a family man, were to go to Japan with his wife and children and seek naturalization he could not possibly obtain it. Yet this is what the Japanese wish to demand from America as a right, as an acknowledgment of diplomatic equality. America has based her refusal, not only for Japan but for all yellow races, on the racial plea. A point that is raised very constantly and which was argued very powerfully in 1913 by the late Admiral Mahan is the question of assimilability. Admiral Mahan's letter to *The Times* of July 24, 1913, was elicited by an article by Sir Valentine Chirol, in which the distinguished Foreign Director of *The Times* argued that

The ultimate issue involved is whether Japan, who has made good her title to be treated on a footing of complete equality as one of the Great Powers of the world, is not also entitled to rank among the civilized nations, whose citizens the American Republic is ready to welcome, subject to a few well-defined exceptions, within its fold whenever they are prepared to transfer their allegiance to it.

Sir Valentine Chirol was for many years the Foreign Director of *The Times*; he was mentioned by Count Hayashi as one of the men who helped to make the Alliance; he has been honoured by the Mikado and his Ministers; and has more than a bowing acquaintance with things Japanese. *The Times* has for many years devoted great attention to Japan, and the interest it has displayed over that country was well exemplified in the mammoth Japanese Supplement. Under these circumstances, it is curious that Sir Valentine Chirol, if I may say so, should be so mistaken in his acquaintance with Japanese thought and ethics as the above extract would indicate. It is absolute waste of

have very soon realized the favourable position of a Japanese official abroad as compared with that of one living in Japan. Half-caste children also do not seem as acceptable to white mothers as they appear to be to white fathers. On the other hand, very many white men in Japan have developed their faculty of adaptation to the point of marriage with the daughters of the country, and it must be admitted that in the majority of cases the result has been continued happiness. The marriage laws and the facilities of divorce operate very much to the disfavour of white brides, as was shown by the Ishii Divorce Case tried in 1913 and 1914 at Tokio.

time for any one seriously to discuss the possibility of a great number of Japanese immigrants "transferring their allegiance" to the United States. The prime objection is that Japanese law does not recognize the denationalization of Japanese subjects, as a reference to Mr. de Becker's learned volumes or the diplomatic correspondence on the Chientao question will show.

Leaving aside all question of law, racial characteristics and habits, it would be utterly impossible for Japanese to forsake their allegiance to their own country and Emperor. They might, and probably would, be ready and willing to become naturalized American citizens, but no laws, oaths or regulations will ever prevent a Japanese remaining a Japanese; nor will any laws, oaths or regulations ever convert a good Japanese into a good American. "You is you, and I is I," says Confucius, and Japanese ethics are largely founded on Confucian thought.

As I have tried to point out in *Japan at the Cross Roads*, the whole object of Japanese policy from Restoration days has been the creation of patriotism by the identification of Throne with State. That has been the great work of the Meiji Era. It has brought unexampled glory upon Japan. That alone would be sufficient reason to discount any attempt of Japanese to denationalize themselves.<sup>1</sup>

Again, filial piety, though not so strong as it was, is still the controlling feature of Japanese morality and will remain so for many years. Parental authority has undoubtedly much diminished in the towns, but it is a striking phenomenon that the Japanese educational authorities have for the past decade been making strenuous efforts to resuscitate the theories of filial piety and check the development of individualism. It cannot be denied that the interest in Confucianism and Buddhism has seriously declined since the opening of the Meiji Era, in part due to the prominence given to Shinto, which was an integral portion of the Restoration movement. Fukuzawa

<sup>1</sup> See also *The Making of a New Religion*, Professor Basil Chamberlain. London, 1911.

was among the first to recognize the incompatibility of the ethics of Confucianism with the modern spirit, and was more responsible than any one else for the rapid progress of the genuine anti-feudal spirit, of which forgetfulness of filial piety was so prominent a feature. The revolutionary tendencies, which swept away so many old habits and customs, went too far to suit the ideas of the clansmen. A reaction set in, and has become very strong in educational circles, especially since 1911.

Even more than filial piety, the family system remains supreme. Filial piety is the devotion of children to parents, but the family system means the entire subordination of the individual to the group, of the group to the village, of the village to the community and of the community to the nation. This complete solidarity is inherent in the Japanese, and connotes an absolute submission of private interest and cohesion of endeavour for the welfare of the State. It is unreasonable to suppose that any considerable number of a nation existent on such conditions could wish to sever itself from the main body. It is equally unreasonable to suppose that the Government of such a nation would countenance such a severance.

I had many discussions on this subject of denationalization with officials and ordinary persons, but I never found one to seriously consider the question of denationalization and naturalization abroad. I remember a telegraph clerk from the Central Telegraph Office coming to see me on two or three occasions. He was very anxious to go to New Zealand, and he asked me how it could be done. I made an inquiry at the British Consulate, and learned that Japanese were non-admissible. He might, however, get in, if, after proper residence in England, he got naturalized as a British subject. I told him this, but he said such a course was unthinkable. It would have meant cutting himself off from his family and his ancestors, and persecution for the relatives left behind. Another Japanese, a professor, with whom I discussed the question, was rather outspoken. He said that naturalization was impossible, and any Japanese Government which proposed or advocated such

a course to settle the Californian question would create most serious difficulties for itself.

"We are taught to believe," he said, "that Japan is by divine creation the greatest country in the world. If our Government advocated the naturalization of its subjects abroad it would be stultifying the whole foundation of our system, by a tacit or expressed belief that another country was as good."<sup>1</sup>

For America this question is very important. Her citizenship is open to any white race because the bases of European civilizations are uniform. White men are assimilable, and by absorption and environment are capable of becoming as true citizens of the Republic as Americans born and bred in the States. Neither Japanese nor Chinese could or would fulfil these conditions. Once a

<sup>1</sup> They are undoubtedly proud of their nationality, but they carry their patriotism too far, for they have been known to remain in America for ten years or more without attempting to learn the English language. In educating their children their one object seems to be to make them good Japanese subjects, *and as to the duties of these children to the country in which they reside and from which they reap numerous benefits, these are never dwelt on at all.* Is it any wonder, then, that such a set of Japanese should arouse feelings in the breasts of loyal citizens of the United States? If our people are ever to make a success of living in other lands they must conform themselves to local usages, standards and ideals to an extent hitherto unachieved.—"*Kuwakusei*," *Tokio*, May 1913.

"An adopted heir is bound to serve the interests of the family into which he is adopted, *and as adopted sons of America the Japanese residents are bound to serve American interests.* If the hundred thousand Japanese in America abided by that principle, the anti-Japanese agitations would never have arisen. The Japanese in America must assimilate themselves to the Americans." This was the substance of a public speech by Mr. Fujii, an official of the Japanese Association of California and the editor of an excellent Japanese journal published here. *We Japanese, full of patriotic sentiment, were astonished to hear that the speech was based on the views of the Captain in the Japanese training squadron which recently visited San Francisco.* Were this idea disseminated among all the hundred thousand Japanese in America, and Japan and America were at war, what would it mean? When the Japanese in America forget Japan, join the American Army, and direct their fire against their own kin, the consequences will be fatal to Japan. I do not anticipate such a contingency, but the very idea is injurious to Japan. When Mr. Fujii expressed these views I longed to rise and oppose him, but refrained, out of deference to him. But I think his speech might mislead the American labourers, who are generally lacking in sense.—"*Yomiuri Shimbun*," August 20, 1913

Japanese, always a Japanese. Prince Katsura, in an interview I had with him on this question in 1912, said: "Naturalization would not be a practical solution to the question. Japanese, who go abroad, remain Japanese subjects, and no form of naturalization would alter them."<sup>1</sup>

In my opinion, whatever it may be worth, the Japanese Government, if and when it demands the right of naturalization for Japanese in America, will do so for diplomatic prestige, as an acknowledgment that Japan is really a first-class Power. The present refusal is regarded as a slight on Japan's position in the world. I do not think that the grant of the right would be beneficial to America. The Japanese are not assimilable in the mass in a white community, and it is generally acknowledged that as Japanese grow to manhood they become less and less assimilable.<sup>2</sup> There is no question of the relative merits of Oriental and Occidental civilization. In very many respects the former is vastly superior to the latter. The Japanese, whether in Hawaii, California, Korea, Singapore or Tokio, is and remains a part of a social and official mechanism, and he could not, even if he were allowed to, disassociate himself from the machine.<sup>3</sup>

The grant to a large number of Japanese of the citizenship of the United States could easily have the most embarrassing effects on that country's policy. It would automatically necessitate the removal of the emigration

<sup>1</sup> It is noteworthy that the Japanese Government never has raised the question of naturalization as a definite issue. As far as I am aware the late Count Hayashi was the only Japanese statesman who even considered the point, and he got himself into considerable disfavour with the *Genro* thereby.

<sup>2</sup> *The Secret of Japanese Success*, Dr. Garrett Droppers, *op. cit.*

<sup>3</sup> A study of the history of the Japanese in Hawaii gives a number of interesting details bearing on the assimilability of the race. In *The Japanese in Hawaii*, Mr. Theodore Richards, editor of *The Friend*, Honolulu, says: "Inter-marriage between the various races has been very considerable, except between the Japanese and other races." "The Buddhist priests have made the temples and shrines centres of Japanese thought and sentiment." "The Japanese were in Hawaii to make money, and then to go home and enjoy it as speedily as possible." "Plantation managers would state their preference for the Chinese field hands, as more persistent, patient and docile."

barrier, for it would be impossible to refuse admission to people who, once landed, would be eligible for citizenship. It would mean the creation of a party, ambitious, coherent and hegemonous, but owing a dual allegiance. An exactly similar position would arise as that created by the hyphenated Germans during the war.

If, as I assert, the questions of land-ownership, labour emigration and naturalization are not the fundamental causes of the tension between America and Japan, what are ?

Dr. Edwin Maxey, Professor of International Law at the University of Nebraska, in dealing with the relations between Japan and America, pointed out that the Russo-Japanese War had removed from the lists the only other nation desirous or able to challenge the dominant position held by the United States and Japan in the Pacific.<sup>2</sup>

The Professor continued by asking whether the joint tenancy by these two Powers of the Pacific could continue peacefully, and came to the conclusion that it could, because the only two points which might cause a war, the possession of the Philippines and the immigration question, could never form a *casus belli*. The latter had been settled by the "Gentleman's Agreement," to which Japan has staunchly and honourably adhered. The former is not desired by Japan, because she does not seek tropical colonies. Consequently the interests of both lie in the direction of a peace, to the preservation of which there is no obstacle.

The argument is perfectly sound, provided that it is limited to the points raised by Dr. Maxey. It is true that there is no concrete cause of war between Japan and America directly. Equally there was no concrete direct cause of war in Europe in August 1914, but nevertheless war came.

In the other chapters of this volume I have endeavoured to show that Japan aims at a protectorate over China, and she most certainly desires to establish a Monroe

<sup>2</sup> "Japanese Relations as Affecting the Control of the Pacific," *Journal of Race Development*, vol. ii. No. 4, 1912.



Doctrine over the Far East. The sphere of influence is an essential doctrine of Japanese foreign policy and the sphere which she wishes at present to appropriate for herself is China. To that sphere Britain, for the moment anyhow, has been admitted by right of pre-emption and by virtue of alliance. Russia, before the war, had been excluded, or at least confined to Mongolia and Northern Manchuria. France has no serious interests to be considered and Germany has been expelled. There only remains America. Of the United States' action in China, Japan is highly suspicious.

What is the United States' attitude towards China? In one word it is—fair-play. In all her dealings with China she has been frank, open and above-board. What she would mostly like to see in the policies of the Powers towards that country would be the conversion of the promises of the "open door" into facts. She wants to see China sovereign in her own dominions and opening them to the free competition of the whole world. That would be for the benefit of all commerce, American included. Washington realizes that the Powers have hitherto conducted their affairs in China simply and solely on a monopoly basis. The "open door" means absolutely nothing. That America has clashed with Japan is due to the latter country having abused her rights more openly than any of the others. America is the greatest republic of the world, and under the leadership of Mr. Roosevelt she, for the first time since the days of the Barbary pirates, recognized her duties to the world at large. She has shown this recognition in her policy towards China. Just as she has laid down a Monroe Doctrine for Central and South America, so she has laid down a "Hay" Doctrine, which very definitely represented her views on the Far Eastern situation. That doctrine is the assurance of the independence and integrity of China and the exercise of the "open-door" policy for foreign commerce and industry. The enunciation of this doctrine was one of the sharpest rebuffs which Japanese diplomacy had so far received, and there is no doubt that it came as a very

considerable shock to the *Gwaimusho*. The revelation that America, far from being a prim, Quaker twiddle-my-thumb nonentity, was a Power with Imperial aspirations and with very direct and decided views on the Far Eastern situation, was a very unpleasant revelation. The declaration of Mr. Taft that the United States had a fundamental interest in the whole Far Eastern situation, and in particular in the fate and welfare of China, and expected that her views would be taken into consideration in any action affecting the future of China or the control of the Pacific, for the time being gave a most decisive check to Japanese plans. These received a very decided modification in view of Mr. Taft's plain speaking, and every effort was made by the Tokio diplomats to bring about a spectacular *rapprochement* between the United States and Japan. This was absolutely necessary to disarm foreign criticism, to lull American susceptibilities, to restore Japanese credit, and to check the development of a Sino-American *entente*, which was a strong possibility at the time of Tang-shao-Yi's visit to America in 1908. The Takahira-Root Agreement was the outward and visible expression of that *rapprochement*. But in fact that *rapprochement* meant nothing at all. It was merely a diplomatic device by the *Gwaimusho* to humbug the world, and America in particular, into the belief that America and Japan were imbued with the same hopes and wishes as to the future of China. If my reading of Japanese ambitions in China is anywhere near correct, the real views of the two Governments were diametrically opposed. In a speech at Shanghai in October, 1908, Mr. Taft said :

The United States and others who sincerely favour the "open-door" policy will, if they are wise, not only welcome but will encourage this great Chinese Empire to take long steps in administrative and governmental reform, in the development of her natural resources and the improvement of the welfare of her people. In this way she will add great strength to her position as a self-respecting Government ; she may resist all possible foreign aggression seeking undue, exclusive, or proprietary privileges in her territory ; and without foreign aid enforce an "open-door" policy of equal opportunity to all.

Japan, determined on the commercial and political domination of China, could never acquiesce in a policy intended to make China self-supporting, self-sufficient and strong. Whilst under Komura's tactful management an idea of complete approval was conveyed to Washington, every wire was pulled at Peking in conjunction with the European Powers, all of whom were equally shocked at the idea of a free and independent China, to strangle the intense Chinese enthusiasm for America to which Mr. Taft's words had given birth.<sup>1</sup>

How successful Komura was in the creation of a favourable atmosphere at Washington, and how extraordinarily misinformed the American Ambassador at Tokio, Mr. O'Brien, was, may be judged from Mr. Knox's proposal to neutralize the Manchurian railways, which he put forward in December 1909 and in January 1910. No single incident has done more to irritate Japanese feeling against America than this proposal. That the fiasco in which it ended was due to a trap laid by Komura and the militarists, I have not the slightest doubt. The impression was carefully cultivated in America that Japan in her eagerness to maintain friendship with the States would make almost any sacrifices in China to prove the genuineness of her intentions. This impression was created through diplomatic and press channels. Mr. Knox was encouraged to make his proposals, and they were curtly rejected. I am not revealing secrets in saying that Notes were exchanged between Russia and Japan in November 1909 providing for joint action if and when the definite American proposals should be made. Whilst Russia and Japan refused the proposition, the attitude taken up by Russia was infinitely better than that of Japan. Russia rejected the proposal purely on definite political and economic grounds, and saw in it no expression of unfriendliness on the part of America to herself. Japan, on the other hand, whilst Komura's refusal was essentially diplomatic and reasoned, let herself go in a tirade of wrath against

<sup>1</sup> For some account of these intrigues see Millard's *Far Eastern Question* chap. xxvii

America, which country was accused of attempting to "trample underfoot rights acquired by Japan at the cost of untold blood and treasure." It would take too much space to detail the insults hurled at the States, at Mr. Taft, at Mr. Knox and at the American army and navy, by the Jingoists and Chauvinists, supported or led by many of the most prominent men in Japan.<sup>1</sup>

To a certain extent the hostile sentiment aroused in Japan and so vehemently expressed, was spontaneous, but to a much greater extent it was generated from official and semi-official sources. It was then, and it is still, used by the bureaucratic authorities as the basis of constant and insistent demands for military and naval expansion. The furnace of popular indignation was deliberately fanned by the militarists for the rolling of armour-plate and the drawing of heavy cannon. The campaign for increased armaments has taken a notable progress since this incident. America is openly referred to as the enemy to be faced in the future,<sup>2</sup> and the sole reason for this is the belief, inculcated from the highest ranks of officialdom, that America is deliberately bent on putting the brake on Japan's ambitions in China. In the end I believe that Japan will find that she has sacrificed her future to the satisfaction of the small and temporary dealings of the present. Bismarck regarded a correct political eye as being at least

<sup>1</sup> For details see *Peace or War East of Baikal*, by E. J. Harrison (Kelly & Walsh, Yokohama, 1910), a valuable work on Far Eastern conditions from 1907 to 1910.

<sup>2</sup> Speaking in a secret session of the Budget Committee in February 1912 on the Navy Estimates, the Minister of the Navy, Baron Saito, is reported to have said: "By 1920 we must have constructed a fleet of eight super-Dreadnought battleships and eight battle-cruisers, with the necessary small cruisers and supply ships. Without these sixteen vessels Japan would be unable to put up a fight worthy of the name against the twenty-one big ships that a certain Power will have at that time." The only Power to which this could apply was the United States.

In November 1913, at a banquet given by the military authorities to the foreign officers attending the military manoeuvres a high general officer, slightly under the influence of *sake*, confided to one of the American officers present that the time was "rapidly approaching when the splendid troops you have just seen will come over and give you Americans a jolly good drubbing," a remark which was promptly embodied in an official report to the Secretary for War at Washington.

as important to good statesmanship as preponderating military equipment. The direction given by Hayashi, Komura and Kato to Japanese foreign policy has caused a nervousness of Japanese designs, which it will take many years to allay. It was only the possibility of a European conflagration which has prevented the expression of that nervousness spreading to other Governments than that at Washington.

That Japan would ever risk a war with America appears inconceivable, but the conditions between the two countries are frankly strained, and if Japan should persist in aggression and America should persist in maintaining her point of view, matters might slip beyond the limits of diplomatic handling.

The relations between Japan and America are extraordinarily similar to those prevailing between Germany and Great Britain in the years previous to 1914. On the Japanese side is a frankly aggressive nation, ruled under almost a theocracy by a group of highly placed, ambitious and unscrupulous bureaucrats having under their control a well-organized and developed army and navy, comparatively fresh from a victory over a weak opponent, and straining like greyhounds in the leash for another run. On the American side is a great Power, imbued by high altruistic motives, which run counter to Japanese aims, governed under a system which is peculiarly susceptible to the influence of interests, financial and political, and cranks. From the military point of view it was, until America joined the Allies in 1917, singularly ill-organized; and even to-day every effort to improve military and naval resources is fiercely fought and sadly modified by fanatical peace societies, drawing most of their support from the potential enemies of the country. On either side, in America local, in Japan factional interests are consistently at work in embittering relationship and developing what very many now regard as an inevitable crisis. The likeness can be carried even further, for in America is a party, and a very strong party, which is the exact equivalent of the Potsdam Party in England, bent

in the name of peace and culture in supporting and encouraging the Japanese, and which under no circumstances can or will believe that its own country ever can be right.<sup>1</sup>

Although the Californian question is a long-standing one, it was not until 1913 that any anti-Japanese legislation was passed by the State legislature. Out of thirty-five measures of more or less anti-alien character the Webb Land Act was by far the most important, and it was in connection with it that the serious dispute between Japan and America arose in 1913.

Previously the relations between the two countries were in the state which diplomats define as friendly, which means that there is no specific question on which they can overtly differ. The emigration and school problems having been compromised and shelved, and the land agitation never having arisen as a diplomatic issue, there was only the attitude of America in China, and on this the Foreign Office had perforce to remain silent, though Japanese public men and the press made persistent and vehement attacks on Mr. Calhoun, the U.S. Minister at Peking.

Before the inauguration of President Wilson the Japanese press were frankly jealous of the success attending American diplomacy in China and nervous of the popularity of America throughout the Republic. The *Asahi Shimbun*, writing on "American Diplomacy in China," said :

Of all the foreign representatives in Peking the American was the least known previous to the revolution. A lawyer by profession, he was not credited with any diplomatic ability or resource. Yet he will reap more credit than any of the others on account of the ability and energy which he has displayed. But what have our Government and our diplomacy done to counteract the American influence ? Our interests in China far exceed those of any other country, and

<sup>1</sup> Such varlets pimp and jest for hire among the lying Greeks,  
Such varlets still are paid to hoot when brave Licinius speaks,  
And wheresoe'er such Lord is found such clients still will be.

yet our officials have allowed themselves to be outplayed by a diplomatically untrained lawyer. China, which ought to look to Japan for help and guidance, does not do so, but looks to America. The inertia of the *Kasumigaseki* has given Mr. Calhoun an opportunity to restore American prestige in the neighbouring country.

One of the first acts of President Wilson after his inauguration was to withdraw American participation in the Sextuple Loan and to recognize the Chinese Republic. Both of these actions were immediately seized on in Japan as ground for openly hostile comment on American motives. Mr. Kurachi, at that time Vice-Minister for Foreign Affairs, in a statement to the press, said :

The withdrawal of America is not surprising. The United States has no ambitions beyond official utterances. Nevertheless, as the withdrawal is political, it will be of no benefit to China. There is no doubt the United States has withdrawn from the group in order to form a separate and national syndicate which will compete with the international syndicate of the Powers.

The recognition of the Republic was equally ascribed to selfish motives. She was charged with "lick-spittling" to Yuan-shi-Kai in order to obtain concessions for loans and railways. The *Hochi* alleged that America had definitely ranged herself with China to oppose the just demands of the Powers, in order to gain "that alone for which any American cares—dirty dollars."

This outbreak on the China question was a fitting prelude to the Japanese attitude on the Webb Law. The terms and merits of that law I do not propose to discuss. The law, in effect, forbade the further acquisition of land by aliens non-eligible for citizenship, and limited the period during which land could be held on lease by such aliens. Unfortunately, the situation arose shortly after the Tokio mob had succeeded in shattering the third Katsura Ministry. Revelling in the recent discovery of its power, the mob, inflamed by the opposition, endeavoured to use the same methods to force a settlement of the Californian question on the Government. The press, which had done useful work in the constitutional movement of the previous

February, adopted the same truculent tone in March and April. More unfortunate still, the wave of excitement grew under the stimulus of anti-American societies formed by men in responsible positions. The agitation of April and May 1913 became a national movement and of such volume that the Government had to pay respect to it.

Into the merits of the question no one cared to inquire, although the commissioners sent abroad by various associations subsequently reported that far from the Japanese in California being ill-treated, they were well treated; that the dislike of them was due to their own actions and inassimilability.<sup>\*</sup>

The anti-American movement spread. Associations sprang up like mushrooms to deal with the matter. The Japanese form associations on the least provocation. The *Nishi-Bei-Doshikai* was the most notable. It was founded by Baron Shibusawa and Mr. Nakano, President of the Tokio Chamber of Commerce, for the betterment of American relations, and became forthwith a centre of anti-American intrigue. Commercial circles agitated for a boycott of the Panama Exhibition, and the Department of Agriculture and Commerce unofficially expressed its approval. National demonstrations were held in the principal cities to protest and threaten. The leaders of the mobocracy boasted of their late victory over the clans, and asserted that the time had now come to settle once and for all the question of racial prejudice. Members of Parliament invoked the old *joi* (anti-foreign spirit), advocated a policy of *yakiuchi* (incendiarism), and invited the people to burn the American Embassy. Insulting placards were posted on its walls and a police guard without. Demagogues with more breath than brains,

<sup>\*</sup> Dr. Soyeda, Commissioner of the *Nishi-Bei-Doshikai*, on his return, said: "Before I went to California I was under the impression that our fellow-countrymen there were suffering from bad treatment. I found that nothing could be further from the truth. I came to the conclusion that in all particulars our people in California have to reform their ways.

"If our people are ever to make a success of living in other lands they must conform themselves to local usages, standards and ideals to an extent hitherto unachieved."—"Kuwakusei," May 1913.



recalled the British gunboat policy against Satsuma in 1856 and urged the striking of a sledge-hammer blow. Count Okuma and the *Hochi* demanded the expulsion of the American missionaries, urging that the morals of their own nationals were in more need of education than those of the Japanese. The missionaries, as usual, blew the Japanese trumpet, conferred together and with the authorities, and enriched the cable companies by innumerable telegrams to the States denouncing their own countrymen and eulogizing the Japanese. Bishop Harris even went the length of announcing that he was ready to die for the Japanese. Mayhap he will have to do so one day. The *Taibei Doshikai*, a political association to protest against the Californian Land Law, visited Count Yamamoto, the Premier, and demanded "Treaty Revision or War," and the Premier expressed approval of the movements organized as being indicative of the national enthusiasm on the question.

It is difficult to say how near war was between America and Japan in 1913. The American Government regarded it as a distinct possibility and, as the proceedings in the Navy Committee of the House of Representatives at Washington revealed, took the necessary precautions. When harbours are boomed and the approaches mined, there is generally trouble brewing!

I was at Nikko one afternoon late in April and was on the point of leaving the Kanaya Hotel to return to Tokio, when the late Major Wigmore, the U.S. Military Attaché, walked into the hall on his way from Chusenji to Tokio. We travelled down on the same train, and he told me that he had been urgently recalled to Tokio in fear of war breaking out.

There is good reason to believe that the Yamamoto Government was nearly forced into hostilities, in the main by the popular movement. It was nearly faced with the alternatives of war or resignation. The principal obstacle to war was lack of money. Efforts were made to get over this. At one moment Japan had negotiations proceeding simultaneously in London, Paris and Berlin which

would have placed £70,000,000 to her credit. Part of this amount was to be negotiated openly and part by Treasury Notes and Bills and through unofficial media. Owing to the circumstances under which I acquired the information it was inadvisable to publish it in the press. I therefore wrote the details privately to the late Baron de Reuter, and also expressed the opinion that the money was intended for military eventualities. The *Jiji Shimpo*, the soberest paper in Japan, said "The outlook whilst not quite hopeless is almost so," but certain steps were taken, and within a fortnight the situation was radically changed. One loan broke down in the Diet and the negotiations for others failed, so that when I received an urgent telegram from my head office asking permission to publish the information conveyed in my letter to Baron de Reuter, I was able to reply that the situation was so much better that publication was inadvisable. I do not think that anybody would care to deny that the acquisition of £70,000,000, coupled with the non-completion of the Panama Canal and the popular incitement to war with America, would have formed a combination which Japanese statesmen might have found it difficult, if not impossible, to resist. Indeed, speaking some months later (October 29, 1913), Baron Makino said: "The development of the Californian question to a most serious point was principally due to the Japan press voicing the arrogance and pride which have beset the Japanese since the Russian War." This was, however, only partially true. The press and the mob were out of hand, but they drew their inspirations from the politicians in opposition and principally from the Choshu faction; that is, from the army. By the fall of the Katsura Ministry the Choshu clansmen had lost power; but they realized the influence of the press and the mob. In their turn they used it as a stick wherewith to beat and, if possible, break the Government. They failed over the Californian question, they failed over the Nanking incident, though they murdered Mr. Abe of the Foreign Office, but they were successful over the Naval Scandals.

The only interesting points of the diplomatic negotiations which followed the signature of the Webb Act were the citation by Mr. Bryan of the prohibitive Land Law of Japan as evidence of the lack of reciprocity by that country; the definition by both sides that "the question of naturalization is a problem of national and not international concern"<sup>1</sup>; and the attempt made by Japan in August 1913 to conclude a supplementary treaty to settle the question.

I believe the first news of the Japanese proposal on this point was conveyed in a telegram from myself to London and published there and in America. My information came from a hint given me by the attorney to the American Embassy, the late Mr. McIvor, formerly Consul-General at Yokohama, who had been instructed to draft a brief for the Ambassador on a point of Roman Law, raised, as I learned later, by the late Mr. Denison, Adviser to the Japanese Foreign Office. The suggestion was raised by him on behalf of the Japanese Government that the Federal authority had power to overrule any action taken by any of the individual States; and the United States Government, it was proposed, should express its agreement in principle with this view. I informed the correspondent of the Associated Press of the proposal. It was of more interest to his clientele in America than to mine in England. He inquired at the Foreign Office and saw Mr. Denison, who strongly denied everything. He met me at the Tokio Club the same evening, and I expressed the view that the very vehemence of the Denisonian denial was corroborative evidence of the correctness of my information. I gave him the source of my information, and, as I had to return to the country the same evening, went off. Two days after the wires were throbbing with news that commercial circles in America were agitated over an A.P. message from Tokio that Japan had proposed the conclusion of a new "commercial" treaty with the States, which, as the existing one was only a few months old, was a truly remarkable statement. In the bustle of categorically

<sup>1</sup> Cf. the Japanese attitude at the Versailles Conference, 1919.

denying the commercial treaty telegram my political treaty message got a tacit though unintended confirmation, and was subsequently fully proved by the publication of the official documents.<sup>1</sup>

Not the least interesting of the incidents connected with this matter were the efforts made to control the news emanating from Japan. It is significant of the manner in which the wires to America were controlled that the first telegram received in Japan from that country after the publication of the official documents mentioned above, read as follows :

The diplomatic communications exchanged between the U.S. and Japanese Governments on the Californian question have been published, and all the papers are commenting upon them. *General surprise is expressed at the unexpectedly firm attitude taken by the Japanese Government.*

If the Japanese agitators were able to mould or suppress, which was the alternative course, the news to America, they were unable to influence the correspondents of European newspapers and agencies. The promoters of the *Nishi-Bei-Doshikai* invited a number of us to lunch to invoke our aid on the Japanese side, and Baron Shibusawa and Mr. Nakano both made speeches on the "Dîtes bien de nous" argument. As this function followed shortly after a series of fanatical anti-American demonstrations, I at the time thought it rather funny. Being put up by my colleagues to reply to the Baron's speech, I said :

Baron Shibusawa has been kind enough, in company with Mr. Nakano, to invite us here to-day to lay before us his views on the unfortunate situation at present prevailing between America and Japan. I do not think that it would be any part of my duty to make any remarks on that situation, although I am in entire agreement with the Baron in the view that it would be a most deplorable thing if matters were permitted to take any untoward development. Our hosts may rest assured that the foreign members of the Press

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<sup>1</sup> Diplomatic Negotiations between the Imperial Japanese Government and the Government of the United States regarding the Californian Land Question. Published at Tokio by I.J. Foreign Office, June 25, 1914.

will do everything in their power to prevent anything of the kind occurring. But what I want to say, and I want to say it very emphatically, is this: the news that goes out of Japan does not depend on us foreign correspondents. It is the things that are written, the things that are said, and the things that are done in this country, which alone and entirely decide what goes out. If the public men or the newspapers of this country are so foolish as to make excitable speeches or write bellicose articles, those speeches and those articles will be reported. It is for this reason, therefore, that I urge Baron Shibusawa and other gentlemen in similar influential positions to do everything possible to prevent the utterance or publication of bellicose matter.

I suppose that speech was not very popular in official and semi-official circles. Anyhow, it decided the powers that were in Japan to take a step that would for the future completely control all news outwards. A few months later the *Kokusai Tsushinsha*, International News Agency, was formed.

It is this official concern, morally and financially supported by the Japanese Government, which now supplies all or most of the world's Japanese news. The comments of the China Treaty Port papers on various occasions evince a tendency to doubt the truth and reliability of all that now appears from the agencies as emanating from Tokio. On the other hand, the establishment of a Japanese official agency and the considerably greater financial support which such a concern can look for has enabled the Japanese press to receive a much larger news service from abroad, and if this should result in the broadening of the mental horizon of the vernacular newspapers, the transfer will not have been without considerable benefit to the country.

"If you cannot get in at the front door, try the back." This burglarious maxim was a good deal responsible for the interest which the Japanese took in the Mexican question in 1913. Although the sentiment between the two countries had always been *simpatica* and Japanese colonizers had looked on Mexico as a possible field for emigration, nothing beyond the ordinary international amenities had marked the course of their relationship.

With the rise of the Californian question, however, a different *modus operandi* was followed. The Japanese espousal of the Huerta cause had nothing whatsoever to do with that gentleman's character. That Huerta was just the type of man to successfully govern Mexico had nothing to do with the question. Japanese sympathies went to the Dictator simply and solely because he was *anathema maranatha* to President Wilson. Japan adopted the rôle of *agent provocateur* in Mexico for the same reason that she did in China, to make trouble for the powers that be.

A close resemblance between Mexicans and Japanese was quickly discovered. Mr. Horiguchi, Secretary of the Japanese Legation in Mexico City, revealed the all-important fact that

"the Mexicans believed that Japanese and Mexicans are sprung from the same ancestry. Certainly as regards the Mexicans of the country regions there is no marked difference between them and the Japanese in manner of living. There is a peculiar resemblance in complexion and personal appearance between the two peoples. For instance, the Mexicans, like the Japanese, sit with their legs crossed, and live in houses of the same type as the Japanese. Moreover, not a few Mexicans have such common Japanese names as Suyenaga, Hara, Mori and Miura."

If it is the duty of a diplomat to state facts, then Mr. Horiguchi sadly failed. Having visited both countries, I must regretfully state that I never found the slightest resemblance. The Mexicans may sit with their legs crossed, but the Japanese do not. The Turks do! There is no facial resemblance between the two races, and I never met or heard of a pure Mexican with anything sounding at all like a Japanese name. Mexican *bohios* are of very much the same type as the shacks of countrymen throughout the tropics, and beyond an accumulation of dirt and general unsavouriness have no relation whatsoever to the Japanese style of architecture. Both have four corner posts and a roof, and these are the only characteristics common to both. The Mexicans and the Japanese males have both dark complexions, but in the women Mexicans are much

darker than Japanese. There is about as much relationship between the two races as there is between a French poodle and a Pekingese, and the lovely fable that the present Mexican race owes its origin to some Japanese fishermen, who were blown across the Pacific in the middle-age, is as much "my-eye" as is the divine descent of the Japanese. It is probably true that the fishermen were blown across; the same happens even nowadays.<sup>1</sup> It is also true that Columbus was blown across the Atlantic.

However, Mr. Horiguchi's research work seemed to him a good and sufficient reason to recommend a Mexico-Japanese alliance, and the Tokio agitators lent themselves with enthusiasm to the project. Huerta, in the face of President Wilson's opposition, determined not to lose any opportunities, and made every effort to develop the connection. I do not suppose that the *Gwaimusho* ever felt particularly keen on the proposal, but there is no doubt that they coquetted with Huerta in order to annoy America. If President Wilson had recognized Huerta, Japan would have felt no more interest in his fate. As it was, they were doubly interested, firstly because of the enmity between Huerta and Wilson, and secondly because they were convinced—in which they were quite right—that Wilson was backing the wrong horse. Huerta was just the man for the job, as those who knew Mexico recognized, and Japan generally was highly delighted to see the States getting further and further entangled.

Huerta's first move towards a closer *entente* was the despatch of General Felix Diaz, nephew of the much-respected and much-feared ex-President Porfirio Diaz, to Japan, on a special mission to thank the Emperor for sending a special representative to the centenary celebrations of the independence of Mexico in 1910. In order to avoid hurting American feelings, Diaz was instructed to go via the United States, and accordingly proceeded through San Francisco and Seattle to Vancouver. There is no doubt that this move gave the Japanese Foreign Office

<sup>1</sup> In 1912 a boat with seven fishermen was blown from Sendai to California.

jumps. It created a considerable amount of gossip in Washington, and, as the diplomatic negotiations over the Californian question were in a delicate position, the Japanese authorities felt that the best way to avoid difficulties was to postpone the pressing honour.

On arrival in San Francisco, Diaz was informed that the Emperor would not be in Tokio, and would he defer the trip? Evidently a chip of the old block, he said he would not. He was ordered to Tokio, and to Tokio he was going. All the way to Vancouver he was bombarded with regrets, which were without avail. On his arrival there he was informed that the Emperor was not in Tokio, would not return to Tokio until the autumn, and if the General crossed to Japan he could not and would not be received. This was an ultimatum he was unable to ignore, and so the trip was abandoned.

It may be imagined that this treatment did not please his chief, nor did it suit the anti-American mob in Tokio. Some violent demonstrations took place, and the Government had considerable difficulty in answering the charge of kowtowing to Washington.

During the summer the situation in Mexico grew worse. Huerta had difficulty in obtaining funds and munitions, and it was not altogether surprising that he should obtain arms from Japan. The first order filled was for 50,000 rifles and 4,000,000 cartridges, these being shipped during the last week in October. General Velasquez had meanwhile arrived in Japan as Mexican Military Attaché, and his sole occupation was the purchase and shipment of arms. A steady flow of these continued, not all originating in Japan, but many coming from England for the account of Japanese houses, who reshipped them from Kobe and Yokohama. I do not think that there was any very great secrecy about the matter, for the Mexican Legation, in answer to my inquiries, admitted the traffic without hesitation. The only denials came from the Foreign Office, but as Count Yamamoto admitted subsequently in the Diet that one shipment had been made, too much importance should not be attached to these *dementis*.



A much more interesting incident was the mission of Señor de la Barra, Mexican Foreign Minister. After the Diaz fiasco, Huerta swore on the bones of his father that he would not send another special mission, after the scurvy treatment of the first. Consequently, when M. Adachi, the Japanese Minister to Mexico, arrived at his post and asked the President to send another mission, he met with a refusal. Now, whilst the Foreign Office in July had felt that it should walk warily, in November it was in a devil-may-care mood, the more especially as another special mission would nicely upset the calculation of the opposition. Accordingly a Note was sent to M. Adachi, which he was instructed to hand to the President, stating that H.M. the Emperor sincerely hoped that another special mission would be sent. Under such flattering influences Señor de la Barra, who was then in Europe in connection with Mexican finances, was nominated, being ordered to go to Japan, via Siberia, as soon as he had finished his financial transactions in Paris. A suitable suite was packed off to Japan by the next steamer to await the Envoy's arrival overland. It is ancient history how de la Barra arrived, was received and dined by the Emperor, and became the centre of enthusiastic and well stage-managed meetings in his honour and that of Mexico. It was amusing to see the Envoy, a guest of the Government, escorted to monster demonstrations against his hosts. Señor de la Barra was, however, no fool, and saw through the scenery that enthusiasm for Mexico was merely a device to attack the Cabinet and pinprick Washington. He diplomatically accepted all the nice speeches, but reported to Huerta that there was "nothing doing" between Japan and Mexico.

There was, by the way, a closer connection between de la Barra's financial business in Paris and his visit to Tokio. President Wilson's financial blockade of Mexico in conjunction with the embargo on the importation of arms by the Gulf put Huerta in a bankrupt position. In Paris there was about £2,500,000 which he could not get and could not use. One of the objects of the mission

was to arrange for the transfer of this money to Japan, whence a small portion was to be shipped to Mexico and the balance held to settle the accounts for munitions.

One of the considerations for these services was a contract for five coast-defence warships, to be laid down on Mexican account as soon as the Huerta Government should be recognized. This contract was substituted for an original demand for oil concessions.

The whole attitude of Japan on the Mexican trouble was foolish. It only annoyed American public opinion and did no good to anybody except the Japanese banks and contractors. As my chief editor wrote, it was a case of King Log and King Stork over again.

The incidents in connection with the Chinese and Mexican troubles afford a useful insight into the methods of Japanese diplomacy and the difficulties with which Foreign Powers dealing with Japan have to cope. The extreme courtesy with which foreigners, and, in especial, distinguished visitors, are greeted is but a mask to obtain the further extension of that favourable sentiment abroad which is a cardinal factor in the success of Japanese diplomacy. The favoured visitors are carefully anointed with flattering unction; the splendid ideals of humanity are spread before them as the objects to be attained; the word "peace" is reiterated *ad nauseam*; the foreign communities are grossly libelled for having dared to doubt the reliability of official utterances; and the visitors throughout their stay are hedged round by a programme which is carefully conceived and punctiliously executed with a view to preventing any impartial and consequently undesirable investigation. If needs be, as in the case of the late Dr. Mabie<sup>1</sup> and Professor Eliot,<sup>2</sup> carefully worded statements are foisted on the Press in support of official ends—statements unsanctioned by the supposed authors.

When Japanese diplomacy finds itself officially checked,

<sup>1</sup> Associate Editor of *The Outlook*, N.Y., and Exchange Professor in 1913.

<sup>2</sup> President Emeritus of Harvard and Representative of the Carnegie Peace Foundation, 1912

semi-official banks and Government merchants, backed by military officers granted leave for the purpose, foment rebellion in friendly States in whose territory Japan seeks some concession. The Government can and does deny any connection with them, but such denial must fail to carry conviction.

Of all the countries in the world, Japan is the one where officialdom is most able to forbid the participation of its subjects in any concern abroad or at home. To check the export of arms to China or Mexico would have been merely a matter of a telephone message. To stop once and for all the abuse of Yuan-shi-Kai, or America, or of Great Britain during the war would have been a work of but a few minutes for the officials of the Foreign Office. But not only was this not done, but the inspirations of the press undoubtedly came from official quarters. In every Department of State is a Press Club, the members of which are the reporters of the metropolitan newspapers and agencies charged with dealing with the affairs of those departments. Once a week certainly, and in the case of the Foreign Office always twice a week, the reporters meet either the Vice-Minister or one of the Directors of Bureaux, who indicates the policy to be followed. There are matters on which the press declines to follow the official ruling, but in general it does so. When some universal outburst occurs, as in the case of the Chinese or Californian questions, it is morally certain that it is officially inspired from one or other of the departments. It does not, however, necessarily follow that an outburst, for example, on China is inspired from the Foreign Office. That would be too naïve. It may find its origin in the War or in the Naval Ministries.<sup>1</sup> But as Mr. Sawada, Secretary in the Japanese Embassy at London, in a lecture on "The Japanese Press," said, "the vernacular newspapers in dealing with foreign affairs are invariably at one with the Government."

In addition to the control of the press at home and of

<sup>1</sup> For a brilliant example see *The Economist*, London, September 16, 1913.

the news agencies abroad, there are various specific organizations abroad for influencing foreign opinion.

The Japan Society of London, the Japan Society of New York, the British-, Russo-, German-, Chino-Japanese Societies at Tokio, the American Peace Society of Japan, the Peace Forum of Tokio, and a host of other similar organizations, are in fact, if not in theory, mediums for the dissemination of the official Japanese views on current events. It is due to all of these different agencies that the world has an idea of Japan which is really a picture of things as they might be instead of things as they are. The "Peace Society," as it has been worked by Germany and Japan, is the greatest piece of humbug of the twentieth century. It is the feeblest and most futile contraption of an age which forms and welcomes unions and leagues for any object under the sun or above it, and at the slightest provocation. What is the good of preaching peace and universal brotherhood to Japan, whose perennial pleasure is a violent tirade on all white races? Who can believe in the peaceful promises of a nation that boasts the righteousness of war and the virtues of assassination? A Yankee once claimed that a "mug" is born into the world every minute, and the Japanese must rejoice exceedingly that a sufficient number have survived their infantile troubles to become the cackling parasites of their various "Peace" associations. Few of them are sincere, and most of this smug brigade earn their keep by the shrieking of cold-storage platitudes in the intervals between banquets. "Friendship and Fellowship" are exploded bubbles since the Californian trouble, and peace-praters of the future will require a more than average nerve and a real fund of logic to explain away the frenzies of the Tokio press.

An important development in connection with the management of foreign affairs in Japan has been the insistent intrusion into the realms of diplomacy of the leaders of finance. Baron Shibusawa and Mr. Nakano, nicknamed by an irreverent foreign journal "The Heavenly Twins," are never off the stage when diplomatic crises occur. But such intervention is by no means confined

to them, though their colleagues show a laudable desire to keep their names from the public. Finance is continually knocking at the *Gwaimusho* door; the explanation that the visits are merely to know or to make known "views" is merely a cloak for persistent demands for concessions abroad. The bankers' ring and the group of contractors under the same direction and ownership are the most formidable obstacles to the peaceful settlement of Japan's affairs with other countries. Capital has acquired a position in the country which is second only to the clan combination, and it exercises as pernicious an influence, for its intrigues are irremovable from foreign affairs. Any aggressive movement abroad meets with the approval of this juggernaut, for it means not only concessions and loans elsewhere, in China principally, but increased orders in Japan, for the army and the navy.

## CHAPTER VI

### THE TWENTY-ONE DEMANDS

" Il ne faut jamais se laisser trop voir, même a ceux qui vous aiment."

WHEN the European War broke out in August 1914 the position was that Japan had firmly established herself in Korea, Manchuria and Mongolia, which regions were to serve as *points d'appui* for further penetration into China.<sup>1</sup> In addition, she had ear-marked Fukien, the province lying opposite to Formosa, as a future sphere of Japanese influence, and by her intrigues with the revolutionaries had obtained a considerable influence at the strategic points of the Yangtze Valley, a region, supposed by the Treaty of 1895 to be reserved to Great Britain, or alternatively to be open to all nations. When, therefore, hostilities broke out in Europe, it was recognized throughout the Far East that a period of sensational events in connection with the Extreme Orient had set in. China's whole future was set at stake by the outbreak of the European War. In China itself nervousness reigned. In Japan there was almost complete calm, with the deep and satisfactory knowledge that the moment for which Japanese policy had planned and waited had at last

<sup>1</sup> The following statement was made by the late Marquis Komura, when Minister of Foreign Affairs, in the Diet: "The first point that claims our attention in dealing with the problem of emigration is that, in view of the new international position assigned to Japan in consequence of the late war and the corresponding extension of our spheres of peaceful activities, it has become necessary that our people, instead of scattering themselves at random in distant foreign lands, should be concentrated in the region of the Far East, so as to secure their united and concordant efforts for carrying on these legitimate activities."

arrived. The greyhounds had been straining in the leash for three years and could now be slipped.

To the foreigners in the Far East, whilst these things were well known, the question unceasingly asked when they gathered together was: "Will Japan join the Allies?" The mere fact that this question was asked, and frequently asked, indicates the standard of honour the normal foreigner attributes to Japanese statesmanship. It is quite impossible to state what the official position Japan took up was, for the reason that it is the one phase of the negotiations in 1914 over which the British Government has drawn a veil. The Notes which passed between Japan and her Ally in 1914 have been excluded from the White Book! It is common knowledge that participation in the war was not popular in Japan. It is also common knowledge that Count Rex, the German Ambassador at Tokio, was very sure that Japan would not take part in the conflict. Baron Kato, the Imperial Japanese Foreign Minister, was curiously evasive in the statements he issued to the press, and Count Okuma, the Premier, was no less guarded in his interviews with the journalists. But whether or not the Ministry was willing to fight—and the cautious diction of their public utterances may well have been due only to the stereotyped phraseology of bureaucracy—the *Genro*, composed of the late Marquis Inouye, Marquis Matsukata, the late Prince Yamagata and Admiral Yamamoto, were all out for holding to the Alliance with Britain. These men knew what Japan owed to the Alliance. The younger generation are apt only to look at what they can draw from it. The final decision was taken at a Council before the Throne at Nikko. I have said above that participation in the war was distasteful to Japanese opinion. The three primary reasons for this were:

1. Japanese military opinion was largely dominated by German thought, the Japanese army being as much a product of Germany as the navy is of Great Britain.
2. Japanese official circles were, and had been since

1912, displeased at the tacit support given by Great Britain to the Chinese Republic, and consequently to Yuan-shi-Kai, Japan's arch-enemy.

3. The Anglo-Japanese Alliance had been, especially since its emasculation in 1911, regarded in Japan as "unilateral," its only benefits being to Great Britain. Intervention in a war which was popularly considered as a European squabble over the Balance of Power appeared to the Japanese public as an exploitation of the Alliance for which Japan would receive no return.

But the point which wants clearing up in the interests of historical accuracy is whether Japan volunteered to join in the war, or whether she had to be asked, and what limitation existed on her actions.

The Anglo-Japanese Alliance of 1911 calls upon one Ally to support the other in certain eventualities. Those eventualities are :

when by reason of an unprovoked attack or aggressive action, wherever arising, on the part of any other Power or Powers, either of the High Contracting Parties should be involved in war in defence of its territorial rights or special interests mentioned in the preamble of this Agreement, the other High Contracting Parties shall at once come to the assistance of its Ally, and will conduct the war in common, and make peace in mutual agreement with it.

The special interests mentioned in the preamble are :

A. The consolidation and maintenance of the general peace of Eastern Asia and of India. B. The preservation of the common interests of all Powers in China by insuring the independence and integrity of the Chinese Empire, and the principle of equal opportunities for the industry and commerce of all nations in China. C. The maintenance of the territorial rights of the High Contracting Parties in the regions of Eastern Asia and of India, and the defence of their special interests in the said region.

A consideration of Article II and of the preamble certainly leaves an impression on the mind that Japan did not join in the war as the result of the Anglo-Japanese Alliance. It would be difficult, though perhaps not impossible, to bring conditions at Tsingtau within the radius



of A, B, or C of the preamble, the more so as von Spee and his squadron had cleared from the base before August 15. But a stronger argument is that if Japan declared war under the terms of the Treaty of Alliance it was quite unnecessary for her to sign a special agreement, the Declaration of London, not to make peace alone. A third point is that, if war was declared under the terms of the Treaty as mentioned in the ultimatum, then the terms of the Japanese ultimatum were known officially to the British Government and this country was a party to them. In that case "for eventual return to China" was a term to which Great Britain was bound. But we were evidently not so bound, because on February 16, 1917, the following Note was addressed by Sir William Conyngham Greene, the British Ambassador at Tokio, to the late Baron Ichiro Motono, then Japanese Foreign Minister :

BRITISH EMBASSY, TOKIO,

*February 16, 1917.*

MY DEAR EXCELLENCY,

With reference to the subject of our conversation of the 27th ultimo, when your Excellency informed me of the desire of the Imperial Government to receive an assurance that on the occasion of a Peace Conference his Britannic Majesty's Government will support the claims of Japan in regard to the disposal of Germany's rights in Shantung and possessions in the islands north of the equator, I have the honour, under instructions received from his Britannic Majesty's Principal Secretary of State for Foreign Affairs, to communicate to you the following message from his Britannic Majesty's Government :

"His Britannic Majesty's Government accede with pleasure to the request of the Japanese Government for an assurance that they will support Japan's claims in regard to the disposal of Germany's rights in Shantung and possessions in the islands north of the equator on the occasion of the Peace Conference ; it being understood that the Japanese Government will in the eventual peace settlement treat in the same spirit Great Britain's claims to the German islands south of the equator."

I avail myself of the opportunity, M. le Ministre, to renew to your Excellency the assurance of my highest consideration.

CONYINGHAM GREENE,

*His Britannic Majesty's Ambassador.*

To his Excellency, Viscount Ichiro Motono, his Imperial Japanese Majesty's Minister for Foreign Affairs.

To which a reply was received from the Japanese Minister for Foreign Affairs, from which the following is an extract :

FOREIGN OFFICE, TOKIO,

February 21, 1917.

The Japanese Government is deeply appreciative of the friendly spirit in which your Government has given assurance and happy to note it as fresh proof of the close ties that unite the two Allied Powers. I take pleasure in stating that the Japanese Government on its part is fully prepared to support in the same spirit the claims which may be put forward at the Peace Conference by his Britannic Majesty's Government in regard to the German possessions in the islands south of the equator.

It almost looks as if Japan declared war in the words but not on the terms of the Alliance. It looks as if Japan might have said, "We are going to fight Germany with you, but not because of you. We are going to take Tsingtau and then sit tight." And this is extraordinarily like what actually happened, for the day following the fall of Tsingtau the Premier, Count Okuma, declared that Japan's share in the war was finished, whilst Baron Kato, replying to an interpellation on the proposal to despatch a Japanese army to Europe, said it "is a plain impossibility, to say nothing of the complete absence of a proper *casus belli*." \*

However that may be—and I am probably quite wrong

\* The following was the text of the official Declaration of War issued in the form of an Imperial Rescript on August 23, 1914 :

"We, the Emperor of Japan, from the Throne, whose line, by the grace of Heaven, has endured for ages unbroken, hereby give these our commands to our brave and loyal subjects.

"We declare war against Germany. Our army and navy shall engage in war with all their might, and our civil officials shall so discharge their duties as to assist in the attainment of the country's aims. Let nothing be left undone within the limits of international law that Japan shall not suffer loss.

"We deeply deplore the war now being waged in Europe, and strove to maintain peace in the East by adhering to a strict neutrality.

"The actions of Germany, however, have obliged our Ally, Great Britain, to wage war with her. In Kiao-chau, Germany's leased territory, warlike preparations have been going on day and night, while Germany's warships, hovering off the coasts of Eastern Asia, have menaced the trade and commerce of our Empire and of our Ally, endangering thereby the peace of the Far East. For this reason our Government, and the Govern-

on the matter—there was no doubt about one incentive to war. This was that Yuan-shi-Kai was in negotiation with Germany for the retrocession of the Bay of Kiao-chau, in accordance with Clause 5 of the Leasing Agreement.

The world moves so fast to-day that it is almost ancient history that Kiao-chau was leased to Germany on March 6, 1898, as indemnity for the murder by bandits of two German missionaries, Fathers Nies and Henle, on the evening of November 1, 1897, in the little village of Kia-chwang. On November 9th the news was received at Shanghai, and the same evening the German warships, *Kaiser*, *Prinzessin Wilhelm* and *Cormoran* got up steam to leave at daybreak. On November 14 they arrived at Kiao-chau, and a force landed from them remained in effective occupation of that place, under command of Admiral von Diedrichsen, until March 6 in the following year, when the leasing agreement was signed. Thus was consummated a policy which Germany had had in gestation for nearly fifteen years. The acquisition of a colony or territorial concession in Further Asia had been enunciated by Bismarck at the Conservative Congress at Barmen in 1885. But until the incidents of 1897 no opportunity had occurred of translating Bismarckian theory into practice. The German Minister at Peking was Herr von Brandt, a diplomat of great experience in the Extreme Orient, a scholar in the meticulous German manner of no small distinction, and a person who lacked all the finer distinctions of a gentleman. Von Brandt, after more than thirty years' service in Japan and China, had come to realize very deeply the very small part that Germany played in the Far Eastern ensemble. For long he had been planning and studying methods whereby he might obtain for her a sphere of influence in China commensurate with the

ment of the King of England, as the result of free consultation, have agreed to take such action as is necessary for the protection of those general interests which the Treaty of Alliance between the two countries had in view. Being desirous of achieving this end by peaceful means, we caused our Government to tender our sincere advice to the Imperial German Government, but our Government failed to receive any reply within the stipulated time."

importance of his own country. Experience had frequently proved that a murdered missionary was the easiest method of extorting concessions from the Manchu Government, and his most obvious course was to ear-mark the spot where he desired concessions and then to wait his opportunity until one or more missionaries were "despatched aloft." Von Brandt, on account of his long service, was the doyen of the *corps diplomatique* at Peking, and there he conducted himself with that brusque and discourteous manner which is the hall-mark and the privilege of the German diplomat. But there is good reason to believe that he somewhat exaggerated the provincialism of his methods in order to conceal the plans which he was maturing. It was very early in the nineties that he selected the rich province of Shantung to be what he did not hesitate to refer to as "the future domain of Germany in Asia."<sup>1</sup> Not only did he ear-mark that territory for Germany, but he was responsible for the wide extension of German influence in Shantung long before the seizure of Kiao-chau. In 1891 he notified M. Lemaire, the then French Minister at Peking, that Germany in future would herself undertake the protection of German missionaries in China, a duty until then carried out by France, under the terms of the Papal Bull of 1844, which confided to her care all the Catholic missionaries in the Celestial Empire.<sup>2</sup> As von Brandt wrote: "We now take charge of our own missionaries, and in the event of trouble with the Chinese we shall present our bill, and can ensure payment in full." The idea was simple. With luck—and luck as von Brandt understood it in the matter of missionaries was common in China in those days—one or more gossellers would sooner or later fall victims to native fanaticism, and the bill to be presented would be the cession or lease of a coaling station and the establishment of a recognized German sphere of influence. The next step in the sequence of events was the German share

<sup>1</sup> *Briefe*, v. Brandt. Leipzig, 1898.

<sup>2</sup> *Ma Mission en Chine*, A. Gerard, Ambassadeur de France. Paris, 1917.

in the retrocession of the Liaotung Peninsula. The price of German support of the Russian demand for the evacuation of Port Arthur by Japan was consent to Chinese concessions to Germany on a suitable occasion.<sup>1</sup> Later this was defined as Kiao-chau or other port by a personal agreement between the ex-Kaiser and the late Tsar.<sup>2</sup> This agreement was carefully concealed from the Russian Foreign Minister, Mouravief, and from Witte. The Treaty of Shimonoseki was signed on April 14, 1895, and the Retrocession Covenant, accepted a few days later, was signed on November 8 of the same year. A year later Admiral von Tirpitz was sent out to Shanghai as Commander of the East Asiatic cruiser squadron. His most important duty was the selection of the suitable base to be demanded when von Brandt's "luck" turned up. In his *Memoirs*,<sup>3</sup> von Tirpitz claims the credit of choosing Kiao-chau, but his claim is discredited, firstly by the fact that it had already been selected by von Brandt, and secondly by von Tirpitz' own memoranda, written at that time, advocating the establishment of a base on the South China coast. Von Tirpitz did not at all like Kiao-chau, especially after the disaster which befell the *Illis*, which was lost in a typhoon on July 23, 1896, whilst on a secret survey mission on the coast of Shantung.<sup>4</sup> The final decision between Kiao-chau and Amoy was made neither by von Brandt nor by von Tirpitz, but by the late Dr. Franzius, Director of Port Works and Fortifications at Kiel, who was specially sent out to examine the respective plans. At the end of 1896 both von Tirpitz and von Brandt were recalled, the former becoming Vice-Minister of the Navy and the latter retiring to Leipsic, to write his *Briefe* and then to die. It is true that von Tirpitz had a hand in drawing up the terms of the lease, for it

<sup>1</sup> *Novoye Vremya*, April 22, 1895. *Memoirs of the late Count Hayashi*. London, 1915.

<sup>2</sup> *Nicholas II*: Memoir by Dr. E. J. Dillon, *Daily Telegraph*, July 22, 1918.

<sup>3</sup> *My Memoirs: Gross Admiral v. Tirpitz*. London, 1919.

<sup>4</sup> *Histoire des Relations de la Chine avec les puissances occidentales*, H. Cordier, vol. iii. Paris. v. *Tirpitz*, *op. cit.*

is known that the fifth clause emanated from him.<sup>1</sup> By it, in the event of Germany desiring to vacate the concession before the expiration of the lease, China was to refund any moneys she had expended and also grant her a concession of a more appropriate territory. The Admiral still had hopes of a port on the south coast of China. Li-hung-Chang, in the summer of 1896, had gone to Russia to attend the Coronation of the Tsar, and whilst in Russia had signed the famous, but secret, agreement known in history as the Li-Lobanoff Treaty, one clause of which agreed on the non-alienability of Kiao-chau, except to Russia.<sup>2</sup> That country herself had designs on the bay, which had the immense advantage over Port Arthur of being ice-free all the year round. On Li's arrival in Berlin he was received by the ex-Kaiser, who asked him straight out to lease Kiao-chau or another port as a reward for Germany's share in the retrocession of the Liaotung. Li hedged as a mandarin knows how to. On the following morning he received a visit from Baron von Marschall, the Foreign Minister, who repeated the request with the warning that if China persisted in refusing, Germany would seize a suitable place. After his return to China, Baron von Heyking, who had succeeded von Brandt as Minister at Peking, acting on an urgent instruction from Peking, opened negotiations on the subject with the Tsung-li Yamen, and even approached the French and Russian representatives, M. Gerard and Count Cassini, to obtain their assistance. The truth was that William II was getting distinctly frightened lest there should be no port to obtain. Japan had obtained declarations of non-alienation in Fukien and Amoy; France had obtained similar declarations in regard to the island of Hainan and the Kwangtung coast: Britain had clearly indicated where a base could not be obtained. Russia jealously kept the Northern Gulf coast as her own preserve and was casting her eye across to Kiao-chau itself. Baron Heyking's orders were, therefore, to press for a port, and he asked, under instructions, his French and Russian

<sup>1</sup> *Vide* page 169.

<sup>2</sup> Cordier, *op. cit.*

confrères to assist him. This *faux pas* arose from the fact that whilst the German representative knew of the two-Emperor agreement, Nicholas was cunning enough to keep his own folly from his advisers. "Our political and military power," said Baron Heyking to M. Gerard, "do not suffice to obtain us in China a place equivalent to our rank as a Power. We want a seat at the Chinese table," and he quoted a saying of Baron von Marschall, "Bayonets serve for everything except a seat." China, he admitted, had refused his request, but he got no help from either the French or the Russian Ministers. A few months later, Herren Nies and Henle died that Germany might expand. M. Hanotaux, the French Foreign Minister, M. Mouravief, Count Witte and M. Cassini offered the stiffest support to the Chinese resistance to the cession of Kiao-chau, and it was only the revelation to them by von Tschirschsky, the German Ambassador at St. Petersburg, of the secret two-Emperor agreement that ended their opposition, with the determination to compensate themselves with Port Arthur for Russia and Kwangtshouwan for France. Great Britain seized Wei-hai-wei.<sup>1</sup>

Obviously, the retrocession of Kiao-chau directly to China was not a measure which Japan could witness with equanimity. If Japan was to enter the war the principal *raison d'être* was to convert Shantung from being a German sphere of influence into a Japanese sphere. Secondly, the successful conclusion of retrocession negotiations between Yuan-shi-Kai and Germany would have enormously added to the President's influence in China and would have correspondingly diminished Japanese influence. On August 15, therefore, Japan despatched an ultimatum to Germany demanding *inter alia* the surrender of Kiao-chau "for eventual restoration to China," a phrase doubtless added to placate Chinese opinion, though nobody at that time, I fancy, ever expected that such an altruistic declaration would be carried into effect. The Japanese ultimatum greatly increased the troubles of Yuan-shih-Kai, who fully realized the menace to China that the landing of a

<sup>1</sup> *North China Daily News*, August 9, 1896.

Japanese army on the Chinese mainland connoted, even though its objective was the German leased territory. He therefore offered Chinese assistance and requested that China should be allowed to join in the war and that her forces be permitted to take part in the operations against Tsingtau. The offer was rejected. A small British force, under the late Major-General Barnardiston, was landed at Laoshan, within the German leased territory. The Japanese Army disembarked at Lungkow, on the north coast of the Shantung Peninsula, a hundred and fifty miles from Tsingtau. This was an infringement of Chinese territorial sovereignty, and to safeguard, so far as she could, her neutrality, China, following the precedent of the Russo-Japanese War, proclaimed a war zone. This step was regarded by Japan as an expression of indifference and suspicion. Her army refused to recognize the zone, drove the Chinese out of Weihsing and other places, and occupied the whole length of the Shantung railway to Tsinanfu, as well as other places in the province, principally the mining centres leased to Germany. On November 7 Tsingtau surrendered, and has ever since been occupied by Japan, which country has established herself there far more securely than Germany ever did. Early in January, the military operations having ceased, China revoked the proclamation of a war zone and requested the withdrawal of the Japanese troops outside Tsingtau, the removal of the military railways and telegraphs, and the evacuation of Lungchow, requests which Japan "refused to acquiesce in under any circumstances." On January 16 China forwarded a further request for evacuation. Two days later M. Hioki presented to the Chinese President, Yuan-shi-Kai, the famous "Twenty-one Demands."

It is interesting to note that the Twenty-one Demands were not officially known to the world at large until late in March. The Japanese Government issued a version to the world which was emasculated by the omission of Group V, the existence of which it resolutely concealed, even from their Ally. The original demands were presented by Mr. Hioki on January 18, 1915. On January 21st a



summary of them was received in Petrograd by the official agency. A copy was at the same time sent to me and received on February 15th. Realizing the importance of the demands and that Sir Edward Grey's statement in the House of Commons was inaccurate, I tried to publish the demands, but without success. The censorship at that time also extended to political as well as military and naval matters. I give below the terms as published in Petrograd on January 22nd :

1. Prolongation of the lease of Port Arthur and the Kwangtung leased territory for ninety-nine years from 1915. (II.)
2. Renewal of the leases of the South Manchurian Railway, the Antung-Mukden and Kirin-Chanchun Railways for ninety-nine years from 1915. (II. 1.) (II. 7.)
3. Complete freedom for Japanese subjects in South Manchuria under Consular jurisdiction, including the carrying on of trade and the acquisition of real estate. (II. 2, 3.) (II. 3a.)
4. The inclusion of Eastern Mongolia in the Japanese exclusive sphere of influence. (II. 5, 6.)
5. The transfer to Japan without restriction of the Shantung Railway, the Fushan mines, and of all railway, mineral and industrial concessions owned by Germany in Shantung Province.
6. Construction by Japan of the Chifu-Weisand Railway, with branch to Luchow. (I. 3.)
7. Inclusion of Fukien Province in the Japanese exclusive sphere of influence. (V. 6.)
8. Railway concessions in the provinces of Kiangsi and Hunan ; and an undertaking that mineral and railway concessions in these regions shall be exclusively granted to a joint Sino-Japanese Corporation. (III. 2.)
9. Appointment of Japanese instructions to the Chinese Army and Navy. (V. i.)
10. Appointment of Japanese advisers to the Departments of Finance, Public Works and Education. (V. 1.)
11. Official Chinese sanction of the Hanyehping Wan to Sheng Hung-pao. (III. 1.)
12. Teaching of Japanese in all schools where foreign languages are taught.
13. No concessions, mining, railway or industrial, to be granted by China in Fukien to another Power without Japanese consent. (V. 1.)
14. The opening to Japan of the Chinese (? Manchurian) oil industry.
15. Freedom for Japanese to trade in any part of China.

16. For the purpose of terminating the internal disorders in China, China shall apply to Japan for military assistance, and Japan will gladly lend her aid on land and sea. (V. 3.)

17. (According to Tokio Reports) P.A. (Petrograd Agency). The appointment of Japanese Customs officials in Shantung and in the territories leased to Japan.

Admittedly the Petrograd Agency version was a summary, but I have marked after each clause the section of the Twenty-one Demands in which each fell, so that the reader can see how close the summary was to the facts. Of the above seventeen clauses one (17) was the subject of a separate Note from Japan, and thirteen of the remaining sixteen (1-11, 13 and 16) were included in the Twenty-one Demands, and actually embodied fifteen of these latter. Of the Petrograd Agency version, 12, 14 and 15 were not included in the Twenty-one Demands, but 12 and 14 have been the subjects of subsequent negotiation. The extraordinary ignorance of the British Foreign Office is the more remarkable as on, I think, January 24th, the *Tokio Asahi* had published the full and complete text of the Demands, and the issue was promptly suppressed by the Japanese Government. The mere fact that the Japanese Government declared the version inaccurate was good enough proof that it was substantially accurate. An inaccurate version would have been much too valuable to the *Gwaimusho* to have been suppressed.

Before examining the document the following account of the proceedings at Peking, by a correspondent of *The Japan Chronicle*, should be studied. The writer was a well-known neutral, holding a position of considerable responsibility at Peking, and in close touch with persons and events, and his account proved substantially accurate. He said :

When Mr. Hioki, the Japanese Minister at Peking, returned to the capital after a visit to Japan, I believe, he called upon President Yuan-shi-Kai ostensibly to pay his respects. After the usual formalities, and without any previous warning, he delivered to the President some Twenty-one Demands, and stated that he was instructed to have these demands complied with at once. This

was coupled with a warning that if Yuan-shi-Kai revealed the nature of the demands to any outside Power the Japanese would take immediate steps to carry them out and make it much harder for China. It is stated that Yuan-shi-Kai sat through this whole ordeal like a sphinx, not the least feeling betraying itself upon his features. He simply told the Japanese Minister this matter would have to be considered by the Minister of Foreign Affairs and the Board of Foreign Affairs before any answer could be given. The Japanese Minister urged the utmost secrecy, but consented to carry out the negotiations through the Minister of Foreign Affairs.

It is now known that no other Foreign Power in Peking was notified of these original demands; even the British Minister was overlooked for some reason. Well, it so happened that after a few days one of the foreign Press representatives heard what was going on, and succeeded in securing a copy of the original demands which had been translated into English. This correspondent found out that neither the American nor the British Minister had been notified of these demands in any way. He then had an interview with the Japanese Minister, and hinted that he had secured information about the affair and knew some of the demands. This summary the Minister tacitly denied. However, a very full report of these dealings with the main demands was cabled to the Associated Press in America and to *The Times*. Then the matter began to leak out in the Chinese Press, and the whole country became inflamed. Not until a week or ten days had elapsed did Japan (according to reports here) communicate anything to Great Britain about these negotiations, and then only ten out of the original Twenty-one Demands were mentioned, with the statement that Japan simply wanted to take up these "outstanding questions" with China "in order to preserve the peace of the Far East and establish more friendly relations with China." The Japanese Minister denied having presented the original demands, and, I am informed from one who should know, attempted to get them back from Yuan-shi-Kai. In the meantime the Japanese agencies in England and the United States got to work and created an atmosphere that China was under German influences and was exaggerating the "demands" of Japan. Then the Chinese Government transmitted to each of the Great Powers the text of the original demands. The truncated (ten) demands had already been communicated to them by Japan. This of course has placed the Japanese Government in a very difficult position. We are looking with great interest to see just how she will extricate herself. In the meantime the matter is being very thoroughly considered by the State Department at Washington and in London.

I have had the privilege of seeing an English translation of the original demands, and I can assure you that should they be forced

upon China they will not only effectively shut the "open door," but will also threaten the very "integrity of the Chinese Republic" and greatly limit the opportunities of any other nation here. Most of these demands have already appeared in the Chinese and English Press published in China. The modified demands I have also seen, and while they do not directly appear to interfere with British interests, they are certain eventually to do so.

The following is the text of the original demands, being a translation of the documents handed to the President, Yuan-shi-Kai, by M. Hioki, the Japanese Minister, on January 18, 1915:

## I.

The Japanese Government and the Chinese Government, being desirous of maintaining the general peace in Eastern Asia and further strengthening the friendly relations and good neighbourhood existing between the two nations, agree to the following articles:—

*Article 1.*—The Chinese Government engages to give full consent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests, and concessions, which, Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

*Article 2.*—The Chinese Government engages that within the Province of Shantung and along its coast no territory or island will be ceded or leased to a third Power under any pretext.

*Article 3.*—The Chinese Government consents to Japan's building a railway from Chefoo or Lung-kau to join the Kiao-chau-Tsinanfu Railway.

*Article 4.*—The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain important cities and towns in the Province of Shantung as Commercial Ports. What places shall be opened are to be jointly decided upon in a separate agreement.

## II.

The Japanese Government and the Chinese Government, since the Chinese Government has always acknowledged the special position enjoyed by Japan in South Manchuria and Eastern Inner Mongolia, agree to the following articles:

*Article 1.*—The two Contracting Parties mutually agree that the term of lease of Port Arthur and Dalny, and the term of lease of

the South Manchurian Railway and the Antung-Mukden Railway, shall be extended to the period of ninety-nine years.

*Article 2.*—Japanese subjects in South Manchuria and Eastern Inner Mongolia shall have the right to lease or own land required either for erecting suitable buildings for trade and manufacture or for farming.

*Article 3.*—Japanese subjects shall be free to reside and travel in South Manchuria and Eastern Inner Mongolia, and to engage in business and in manufacture of any kind whatsoever.

*Article 4.*—The Chinese Government agrees to grant to Japanese subjects the right of opening the mines in South Manchuria and Eastern Inner Mongolia. As regards what mines are to be opened, they shall be decided upon jointly.

*Article 5.*—The Chinese Government agrees that in respect of the (two) cases mentioned herein below, the Japanese Government's consent shall be first obtained before action is taken :

(a) Whenever permission is granted to the subject of a third Power to build a railway or to make a loan with a third Power for the purpose of building a railway in South Manchuria and Eastern Inner Mongolia.

(b) Whenever a loan is to be made with a third Power pledging the local taxes of South Manchuria and Eastern Inner Mongolia as security.

*Article 6.*—The Chinese Government agrees that if the Chinese Government employs political, financial, or military advisers or instructors in South Manchuria or Eastern Inner Mongolia, the Japanese Government shall first be consulted.

*Article 7.*—The Chinese Government agrees that the control and management of the Kirin-Changchun Railway shall be handed over to the Japanese Government for a term of ninety-nine years, dating from the signing of this Agreement.

### III.

The Japanese Government and the Chinese Government, seeing that Japanese financiers and the Hanyehping Company have close relations with each other at present, and desiring that the common interests of the two nations shall be advanced, agree to the following articles :

*Article 1.*—The two Contracting Parties mutually agree that when the opportune moment arrives the Hanyehping Company shall be made a joint concern of the two nations, and they further agree that, without the previous consent of Japan, China shall not by her own act dispose of the rights and property of whatsoever nature of the said Company, nor cause the said Company to dispose freely of the same.

*Article 2.*—The Chinese Government agrees that all mines in the

neighbourhood of those owned by the Hanyehping Company shall not be permitted, without the consent of the said Company, to be worked by other persons outside of the said Company; and further agrees that if it is desired to carry out any undertaking which, it is apprehended, may directly or indirectly affect the interests of the said Company, the consent of the said Company shall first be obtained.

#### IV.

The Japanese Government and the Chinese Government, with the object of effectively preserving the territorial integrity of China, agree to the following special article:

The Chinese Government engages not to cede or lease to a third Power any harbour, or bay, or island along the coast of China.

#### V.

*Article 1.*—The Chinese Central Government shall employ influential Japanese as advisers in political, financial and military affairs.

*Article 2.*—Japanese hospitals, churches and schools in the interior of China shall be granted the right of owning land.

*Article 3.*—Inasmuch as the Japanese Government and the Chinese Government have had many cases of dispute between Japanese and Chinese police to settle, cases which cause no little misunderstanding, it is for this reason necessary that the police departments of important places (in China) shall be jointly administered by Japanese and Chinese, or that the police departments of these places shall employ numerous Japanese, so that they may at the same time help to plan for the improvement of the Chinese Police Service.

*Article 4.*—China shall purchase from Japan a fixed amount of munitions of war (say 50 per cent. or more) of what is needed by the Chinese Government, or that there shall be established in China a Chino-Japanese jointly worked arsenal. Japanese technical experts are to be employed and Japanese material to be purchased.

*Article 5.*—China agrees to grant to Japan the right of constructing a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchung and Hanchow, and another between Nanchang and Chaochou.

*Article 6.*—If China needs foreign capital to work mines, build railways, and construct harbour works (including dockyards) in the Province of Fukien, Japan shall be first consulted.

*Article 7.*—China agrees that Japanese subjects shall have the right of missionary propaganda<sup>1</sup> in China.

<sup>1</sup> Refers to preaching Buddhism.

Japan's Revised Demands on China, twenty-four in all, were presented on April 26, 1915.

The following revised list of articles is from a Chinese translation of the Japanese text :

#### GROUP I.

The Japanese Government and the Chinese Government being desirous of maintaining the general peace in Eastern Asia, and further strengthening the friendly relations and good neighbourliness existing between the two nations, agree to the following article :

*Article 1.*—The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government, relating to the disposition of all rights, interests and concessions, which Germany, by virtue of treaties or otherwise, possesses in relation to the Province of Shantung.

*Article 2.*—(Changed to an exchange of Notes.)

The Chinese Government declares that within the Province of Shantung and along its coast no territory or island will be ceded or leased to any Power under any pretext.

*Article 3.*—The Chinese Government consents that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiao-chau-Tsinanfu Railway, if Germany is willing to abandon the privilege of financing the Chefoo-Weihsien line, China will approach Japanese capitalists to negotiate for a loan.

*Article 4.*—The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by China herself as soon as possible certain suitable places in the Province of Shantung as Commercial Ports.

#### *Supplementary Exchange of Notes.*

The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

#### GROUP II.

The Japanese Government and the Chinese Government, with a view to developing their economic relations in South Manchuria and Eastern Inner Mongolia, agree to the following articles :

*Article 1.*—The two contracting Powers mutually agree that the term of lease of Port Arthur and Dalny and the terms of the South Manchuria Railway and the Antung-Mukden Railway shall be extended to ninety-nine years.

*Supplementary Exchange of Notes.*

The term of lease of Port Arthur and Dalny shall expire in the eighty-sixth year of the Republic, or 1997. The date for restoring the South Manchurian Railway to China shall fall due on the ninety-first year of the Republic, or 2002. Article 12 in the original South Manchurian Railway Agreement, that it may be redeemed by China after thirty-six years from the day on which it is opened, is hereby cancelled. The term of the Antung-Mukden Railway shall expire in the ninety-sixth year of the Republic, or 2007.

*Article 2.*—Japanese subjects in South Manchuria may lease or purchase the necessary land for erecting suitable buildings for trade and manufacture, or for prosecuting agricultural enterprises.

*Article 3.*—Japanese subjects shall be free to reside and travel in South Manchuria, and to engage in business and manufacture of any kind whatsoever.

*Article 3a.*—The Japanese subjects referred to in the preceding two articles, besides being required to register with the local authorities passports which they must procure under the existing regulations, shall also submit to police laws and ordinances and tax regulations, which are approved by the Japanese Consul. Civil and criminal cases in which the defendants are Chinese shall be tried and adjudicated by Chinese authorities. In either case an officer can be deputed to the court to attend the proceedings. But mixed civil cases between Chinese and Japanese relating to land shall be tried and adjudicated by delegates of both nations conjointly in accordance with Chinese law and local usage. When the judicial system in the said region is completely reformed, all civil and criminal cases concerning Japanese subjects shall be tried entirely by Chinese law courts.

*Article 4.*—(Changed to an exchange of Notes.)

The Chinese Government agrees that Japanese subjects shall be permitted forthwith to investigate, select, and then prospect for and open mines at the following places in South Manchuria, apart from those mining areas in which mines are being prospected for or worked; until the Mining Ordinance is definitely settled methods at present in force shall be followed.

## PROVINCE OF FENG-TIEN.

Locality.	District.	Mineral.
Niu Hsin T'ai	Pen-hsi	Coal
Tien Shih Fu Kou	Pen-hsi	"
Sha Sung Kang	Hai-lung	"
T'ieh Ch'ang	T'ung-hua	"
Nuan Ti T'ang	Chin	"
An Shan Chan region	From Liao-yang to Per-hsi	Iron



## PROVINCE OF KIRIN

*(Southern portion).*

Locality.	District.	Mineral.
Sha Sung Kang	Ho-lung	Coal and iron
Kang Yao	Chi-lin (Kirin)	Coal
Chia P'i Kou	Hua-tien	Gold

*Article 5.*—(Changed to an exchange of Notes.)

The Chinese Government declares that China will hereafter provide funds for building railways in South Manchuria ; if foreign capital is required, the Chinese Government agrees to negotiate for the loan with Japanese capitalists first.

*Article 5a.*—(Changed to an Exchange of Notes.)

The Chinese Government agrees that hereafter, when a foreign loan is to be made on the security of the taxes of South Manchuria (not including customs and salt revenue on the security of which loans have already been made by the Central Government), it will negotiate for the loan with Japanese capitalists first.

*Article 6.*—(Changed to an Exchange of Notes.)

The Chinese Government declares that hereafter, if foreign advisers or instructors on political, financial, military or police matters are to be employed in South Manchuria, Japanese will be employed first.

*Article 7.*—The Chinese Government agrees speedily to make a fundamental revision of the Kirin-Changchun Railway Loan Agreement, taking as a standard the provisions in railway loan agreements made heretofore between China and foreign financiers. If, in future, more advantageous terms than those in existing railway loan agreements are granted to foreign financiers, in connection with railway loans, the above agreement shall again be revised in accordance with Japan's wishes.

All existing treaties between China and Japan relating to Manchuria shall, except where otherwise provided for by this Convention, remain in force.

1. The Chinese Government agrees that hereafter when a foreign loan is to be made on the security of the taxes of Eastern Inner Mongolia, China must negotiate with the Japanese Government first.

2. The Chinese Government agrees that China will herself provide funds for building the railways in Eastern Inner Mongolia ; if foreign capital is required, she must negotiate with the Japanese Government first.

3. The Chinese Government agrees, in the interest of trade and for the residence of foreigners, to open by China herself, as soon as possible, certain suitable places in Eastern Inner Mongolia as Commercial Ports. The places which ought to be opened are to be chosen, and the regulations are to be drafted, by the Chinese Government, but the Japanese Minister must be consulted before making a decision.

4. In the event of Japanese and Chinese desiring jointly to undertake agricultural enterprises and industries incidental thereto, the Chinese Government shall give its permission.

#### GROUP III.

The relations between Japan and the Hanyehping Company being very intimate, if those interested in the said Company come to an agreement with the Japanese capitalists for co-operation, the Chinese Government shall forthwith give its consent thereto. The Chinese Government further agrees that, without the consent of the Japanese capitalists, China will not convert the Company into a State enterprise, nor confiscate it, nor cause it to borrow and use foreign capital other than Japanese.

#### GROUP IV.

China to give a pronouncement by herself in accordance with the following principle :

No bay, harbour or island along the coast of China may be ceded or leased to any Power.

#### *Notes to be Exchanged.*

##### A.

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang line, the Nanchang-Hangchow Railway, and the Nanchang-Chaochow Railway, if it is clearly ascertained that other Powers have no objection, China shall grant the said right to Japan.

##### B.

As regards the right of financing a railway from Wuchang to connect with the Kiukiang-Nanchang Railway, a railway from, Nanchang to Hangchow and another from Nanchang to Chaochow, the Chinese Government shall not *grant* the said right to any *Foreign Power* before Japan comes to an understanding with the other Power which is heretofore *interested* therein.

#### *Notes to be Exchanged.*

The Chinese Government agrees that no nation whatever is to be permitted to construct, on the coast of Fukien Province, a

dockyard, a coaling station for military use, or a naval base ; nor to be authorized to set up any other military establishment. The Chinese Government further agrees not to use foreign capital for setting up the above-mentioned construction or establishment.

Mr. Lu, the Minister of Foreign Affairs, stated as follows :

1. The Chinese Government shall, whenever, in future, it considers this step necessary, engage numerous Japanese advisers.

2. Whenever, in future, Japanese subjects desire to lease or purchase land in the interior of China for establishing schools or hospitals, the Chinese Government shall forthwith give its consent thereto.

3. When a suitable opportunity arises in future, the Chinese Government will send military officers to Japan to negotiate with Japanese military authorities the matter of purchasing arms, or that of establishing a joint arsenal.

Mr. Hioki, the Japanese Minister, stated as follows :

As relates to the question of the right of missionary propaganda, the same shall be taken up again for negotiation in future.\*

As is seen, there were two versions of these demands, the original ten presented on January 18th, varying slightly from the " Revised " version, presented on April 26th. Groups I, II, III and IV were accepted by China under the pressure of a forty-eight hours' ultimatum, delivered by M. Hioki on May 7, 1915. Group V, with the exception of a declaration of non-alienation of any part of the coast of Fukien, was withdrawn by Japan, under pressure from Great Britain and the United States. The victory thus obtained by Japan was a Pyrrhic one, for Group V, the very existence of which was for so long denied at Tokio, meant the administrative and military supervision of the whole of China. In that Japan failed to obtain acceptance of Group V she failed in the contest, for she disclosed to the world her whole hand.

Group I dealt with the situation which had arisen owing to the eviction of Germany from Shantung. China had to agree to endorse whatever settlement Japan might make with Germany. In addition, she had to grant a railway concession for a line from Chefoo to join the Shantung line and undertake to grant no leases on or off the coast to a third Power. For all practical purposes

\* The notes in brackets signify the final method of agreement reached.

Shantung was to follow Manchuria and to become Japan's perquisite for "maintaining peace in the Extreme Orient."

Group II carried into effect the policy proclaimed in 1908, the prolongation of the Japanese railway leases in Manchuria from thirty years to ninety-nine years. It transferred for the same period to Japan the control of the Chinese railway which runs from Changchun to Kirin, the strategic gateway, militarily and commercially, of Northern Manchuria. It considerably extended the rights and privileges of Japanese in South Manchuria; gave Japan exclusive mining concessions, and the exclusive right to supply railway or other loans, and to provide political, financial or military advisers for that province. Further, Eastern Inner Mongolia was added to the Japanese sphere of influence in North China, and Japan obtained the same rights there as in South Manchuria. The provision alone has in it the seeds of immense future trouble, for there is no such geographical or political entity as Eastern Inner Mongolia. The district came into prominence after the Russo-Japanese War. Russia lost her special trading privileges along the Manchurian Siberian frontier, but retained those in Mongolia. These she pressed by a strenuous politico-commercial campaign. Threatened by a juncture of the Japanese and Russian spheres in the north, China commenced an intensive emigration movement and devised the Kinchow-Aigun railway scheme, for which a concession was granted to an Anglo-American syndicate, in the hopes of driving a neutral wedge between her two enemies. The late Count Hayashi obtained the withdrawal of the concession on the ground that a railway running parallel with the South Manchurian Railway infringed the lease of the latter. Again to protect herself China dug out an ancient edict which transferred those parts of Mongolia to the Viceroyalty of Manchuria. So in 1909, when Russia began to send traders to To-nan-fu China demanded their withdrawal on the ground that technically To-nan-fu was Manchurian and not Mongolian. Presumably this is the district which now falls under the Japanese influence, for on July 12, 1912, M. Kurachi

the Japanese Vice-Minister of Foreign Affairs, defined Eastern Inner Mongolia as "that portion of the Province of Manchuria formerly known as Inner Mongolia."<sup>1</sup> The district is largely pastoral, and exports annually 25,000 horses, 10,000 head of cattle, 250,000 sheep, 300,000 hides and large quantities of furs. The soil is very rich in minerals.

Group III is concerned with the affairs of the Hanyehping Company.<sup>2</sup> In 1892 Chang-chih-Tung, the "incorruptible," was Viceroy of the two Kwangs (Kwangtung and Kwangsi), and ordered from England two blast-furnaces with which to aid in the development of the mineral deposits of his viceroyalty. Before they arrived he was transferred to Wuchang, as Viceroy of Hunan and Hupeh, and thither the furnaces followed him. On the north bank of the Yangtze, at Hanyang, Chang had his furnaces set up, literally where he could keep his eye on them from the viceregal yamen at Wuchang, on the south bank. The ore used came from the Tayeh mines, which are located fifty-seven miles east of Hankow, twenty miles inland on the south bank of the Yangtze. The Tayeh field is among the richest of the world. It consists of a range of nine low hills, composed of 67 per cent. of iron ore. The official Japanese survey of the mine proper states that the iron vein is 265 feet thick and of immeasurable length and depth, the amount of ore being estimated at 700,000,000 tons. The mine at present surveyed only includes five of the hills. The foundry was operated for some while by the Viceroy at a loss, chiefly on account of the high cost of fuel. Nevertheless, under the advice of Li-hung-Chang, Sheng-hsun-Hui acquired the property. Sheng, an extremely capable and unscrupulous person, was Li's factotum in all business matters. Known in Shanghai as "the old fox," he represented Li on the board of the China Merchants' Steam Navigation Company. When he took charge of the Hanyang Foundries he realized the imperative

<sup>1</sup> *Vide* page 77.

<sup>2</sup> The name Hanyehping is formed by combining one syllable each from the names of the three concerns operated by the company—Hanyang Foundry, Tayeh Iron Mines, Pinghsiang Collieries.

necessity of cheap fuel. He discovered the Pinghsiang field in Kiansi and started to work it. The area now being worked is about twenty-one miles square, but the total area is over two hundred miles, with a visible supply of over 500,000,000 tons. The annual output is at present 750,000 tons. Shang's next step was the formation of a Chinese company, the Hanyehping Iron and Steel Company, which acquired the three concerns. Previous to the Chinese revolution Japan had contracts with the Hanyehping for the supply of pig iron and iron ore, all of which went to the Imperial Ironworks at Wakamatsu. This was bought at a very low rate in consideration of loans which had been made by Japanese banks for the development of the works. When the revolution broke out in 1911, Sheng was Minister of Communications at Peking. He promptly fled to Tientsin, went on board a Japanese man-of-war and was conveyed to Kobe. He was naturally a subject of consideration in Japan, the largest stockholder in a concern which Japan greatly coveted, and which was an important Japanese creditor. What increased the importance of the Hanyehping business in Japanese eyes was the evidence of the straits to which Japan was reduced when the Hanyang works were closed down owing to the revolution. The Imperial Arsenal at Wakamatsu stood idle until contracts could be made with the Tata Company at Bombay. The revolutionaries needed money, and approached M. Ariyoshi, Japanese Consul-General at Shanghai. Through him negotiations took place involving a mortgage of the works. This loan was not carried through owing to opposition in China. Japanese capitalists then approached Sheng direct, and he effected a loan with the Yokohama Specie Bank and, by his control of the majority of the shares, succeeded in making the directors approve it. Yuan-shi-Kai vetoed the loan under the Mining Decree of 1913, but as the agreement had been signed before that decree had been issued the veto was non-effective. The total amount involved was under £2,000,000. The loan, however, did not give Japan control, as was essential to her purpose

The Sino-Japanese Corporation was formed, which acquired Shang's interests. The Japanese head of this concern was M. Kurachi, the Vice-Minister of Foreign Affairs. As under the Mining Decree of 1913 no foreigner could own more than 50 per cent. of the stock of a Chinese Mining Company, it was necessary to force the hand of the Chinese Government. Hence Group III, which, however, not only ties the Hanyehping body and soul to Japan, but prohibits the exploitation by anybody of any other mines in the neighbourhood. This means the creation of a Japanese mineral monopoly in Hunan, Hupeh, and Kiansi. It is worth noting that by Groups I and III two of the three greatest colliery enterprises in China fall to Japan, the Poshan in Kwangtung, the Pinghsiang in Kiansi, whilst Article 6 of Group V prohibits any other Power than Japan developing the known, but hitherto unexploited, coal resources of Fukien.

Group IV consists of a single article, utterly uncalled for, proclaiming the non-alienation to a third Power of any part of the Chinese coast.

Group V must be apparent to every one as the most flagrant assault on the independence and sovereignty of China. Administration, police, finance, army and navy were to be placed under Japanese supervision. Article 5, giving Japan certain railway concessions in Kiansi, simply as it reads, is, as may be gathered from its inclusion in Group V, of the utmost importance. In conjunction with the Hanyehping deal it would create an immense block of Japanese interests unlimited in potentiality, which would straddle the Yangtze and reach as far south as the two Kwangs. The position then would be that Japan would dominate and envelop the north by her possession of Manchuria, Inner Mongolia and Shantung. In the centre, astride of the Yangtze, China's main artery, Hunan, Hupeh, Kiansi, and Fukien would form a Japanese belt to the sea, completely cutting off the north from the south, and eventually leading to that partition of China between Canton and Peking which has been a cardinal aim of Japanese diplomacy since 1911.

The outcome of the negotiations over the Twenty-one Demands was that the first four groups were accepted; the fifth was postponed for future discussion. Whether or not the discussion has been renewed privately cannot be stated. Japanese authorities deny it, but on the Chinese side there is evidence that efforts have been put forward by Tokio to obtain further concessions from China, based on the demands embodied in the Fifth Group of 1915. Rumour is persistent that a secret treaty has been extorted from China, but no conclusive evidence has as yet been produced.

In face of the intense indignation in China, and the undisguised disgust of the rest of the world, Japan had for a time to rest content with her victory over the Four Group Demands, but no opportunity was lost in the succeeding years of consolidating her position in China or extending her sub-posts. In August 1916, for example, a dispute occurred between a certain Yoshimoto, a Japanese merchant at Cheng-chiatung, in Manchuria, and a Chinese soldier belonging to the 28th Division. A fight between Japanese and Chinese soldiers resulted, for Japanese soldiers were also stationed at the place, though actually it was outside the Japanese military zone and the Chinese Government had for two years been demanding their removal. After the fracas a report was made to the Japanese police office, and the chief of police ordered the Japanese military commander to attack the Chinese barracks. As a result, four Chinese and twelve Japanese soldiers were killed. Reinforcements of Japanese troops arrived, and on September 2nd the Japanese Minister at Peking presented a series of eight demands of which the last four were designated as *desiderata*, which is a diplomatic euphemism for demand. They were :<sup>1</sup>

1. Punishment of the General commanding the 28th Division.
2. The dismissal of the officers at Cheng-chiatung responsible for the occurrence, as well as the severe punishment of those who took direct part in the fracas.

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<sup>1</sup> *Peking Gazette*, January 29, 1917.



3. Proclamation to be posted ordering all Chinese soldiers and civilians in South Manchuria and Eastern Inner Mongolia to refrain from any act calculated to provoke a breach of the peace with Japanese soldiers or civilians.

4. China to agree to the stationing of Japanese police officers in places in South Manchuria and Eastern Inner Mongolia where their presence was considered necessary for the protection of Japanese subjects. China also to agree to the engagement by the officials of South Manchuria of Japanese police advisers.

The *desiderata* were :

1. Chinese troops stationed in South Manchuria and Eastern Inner Mongolia to employ a certain number of Japanese military officers as advisers.

2. Chinese military cadet schools to employ a certain number of Japanese military officers as instructors.

3. The military governor of Mukden to proceed personally to Port Arthur to the Japanese military governor of Kwangtung to apologize for the occurrence and to tender similar personal apologies to the Japanese Consul-General in Mukden.

4. Adequate compensation to be paid by China to the Japanese sufferers and to the families of those killed.

The negotiations which followed ended by the Governments agreeing to embody in an exchange of Notes the following five stipulations :

1. The General commanding the 28th Division will be reproved.

2. Officers responsible will be punished according to law. If the law provides for severe punishment, such punishment will be inflicted.

3. Proclamations will be issued enjoining Chinese soldiers and civilians in the districts where there is mixed residence to accord considerate treatment to Japanese soldiers and civilians.

4. The military governor of Mukden will send a representative to Port Arthur to convey his regret when the military governor of Kwangtung and the Japanese Consul-General are there together.

5. Solatium of \$500 (five hundred dollars) will be given to the Japanese merchant Yoshimoto.

The forward policy of Japanese in China has continued right up to the meeting of the Versailles Conference. As I have tried to emphasize earlier, Japan's policy has been, ever since the days of Count Hayashi, to use the Powers

to advance her aims. This has been exemplified during the war as much as before the war. We have seen how the British Government guaranteed Japan's claims in Shantung. On March 8, 1917, a similar guarantee of support was obtained from France, subject to Japan obtaining from China adherence to the Entente cause and the severance of diplomatic relations with Germany, a condition which evoked the cynical reply from Japan that this had been an object of Japanese diplomacy since the war broke out!<sup>1</sup> This statement was the more amusing as in a dispatch from M. Krupensky, the Russian Ambassador at Tokio, the Russian representative quotes Viscount Motono as feeling rather hopeless about bringing China into the war and as being at least unenthusiastic about such a step. Still the Viscount agreed to make an attempt in that direction provided Russia was willing to support Japan's demands at the future Peace Conference. Italy also, in March 1917, willingly agreed to support those demands. No more distressing series of documents has ever been published than the agreements between the Powers in 1917 in regard to Shantung. The Allies in Europe wanted China's assistance. China was willing to join them, and had already in 1914 and 1915 offered to do so, but Japan had objected. To bring a willing China into the circle of belligerents the Allies bribed Japan by a promise of Shantung and half of the South Sea Islands. To allow China to do something she wanted to do the Allies gave Japan a whole province of China!

The only country which had not yet agreed to Japan collaring Shantung and the northern South Sea Islands was America. In November 1917, by the Lansing-Ishii agreement, Japan obtained from America a recognition of her special rights in China. Those rights are unspecified. Nobody can doubt that the rights meant included those in Manchuria, Mongolia, Shantung, Fukien and the Yangtze. Mr. Wilson certainly knew of the secret agreements, as also of the published ones, because on March 4, 1918, Mr. Balfour so stated in the House of Commons. It is

<sup>1</sup> See page 148.

true that on August 19, 1919, Mr. Wilson stated to Senator Johnston that he did not know of them until after the Armistice, but the evidence is overwhelming to the contrary. In any case we give Mr. Balfour precedence over President Wilson on a question of veracity. And even if the President did not know officially, he must have known unofficially, because the documents had been published in Russia, China, America and this country. Besides, Mr. Lansing is a very shrewd and capable diplomat, and would not have recognized special interests unless he knew what they were. In any case it does not really matter whether or not Mr. Wilson knew or did not know. To refuse recognition of Japan's demands at the Peace Conference would have certainly entailed war with Japan. President Wilson, who was not too proud to threaten war with exhausted Britain over the allocation of the German tonnage in American ports, was much too wise to risk a war with Japan, especially with his battle fleet on this side of the Atlantic.

The whole affair is a drastic example of how not to be a President ! If a Foreign Minister or a Premier had laid down the Fourteen Points and drafted the gospel of the League of Nations, the business would have worked out quite otherwise. Foreign Ministers and Premiers often have to eat their words, or if their moral stomach revolts thereagainst they resign and some one else takes their place and digests the meal. It is their business. But when the Head of a State is called on to do so it is very different, especially when he is an elective head, on whose success or failure depend far more than any single item of policy. The Head of a State should never make a *pronunciamento*, except in his electoral campaign, when his expressions are necessarily more in the nature of saintly aspirations than practical policies.

The actual proceedings at Versailles do not come within the scope of this volume. Japan, backed by the European Powers, obtained what she sought. In doing so she has doubled the bitter hostility to her which already existed in China. She has also deepened the suspicion and dislike

of her methods amongst foreigners, and particularly amongst British and Americans. She is recognized as the Prussia of the Extreme Orient, and, like Prussia, will most surely have to fight to maintain the position in Asia which she has created for herself. Equally surely, America will be the nation she will have to fight. And because when that time comes sympathies other than American will be ranged against Japan, that country will continue in the future as in the past to foment and finance unrest in India and labour unrest elsewhere, on the very sound principle of providing possible enemies with plenty of work at home. Another point to which attention may be profitably directed is that political assassination is a recognized form of patriotism in Japan. It has been constantly used in Japan itself and most probably will be employed abroad, if occasion ever calls for it, and opportunity offers. In war one outstanding brain is often worth a corps or a squadron. The destruction of that brain is as good service to the country as the annihilation of the corps or squadron. The mentality is, of course, not the mentality of the West, but it is not for the West to decry it. But the West will be wise to be prepared against it.

## APPENDIX

## TEXT OF THE LEASE OF KIAO-CHAU.

The incident at the mission-station in the prefecture of Tsao-choufu, in Shantung, having now been settled by amicable agreement, the Imperial Chinese Government regards the occasion as a suitable one for giving a special and concrete proof of its grateful recognition of the friendship which has hitherto at all times been manifested by Germany towards China. In consequence, the Imperial German Government and the Imperial Chinese Government, inspired by the mutual and reciprocal desire to strengthen the bonds of friendship between their two countries, and further to develop the economic and trade relations of the citizens of the two States respectively with each other, have concluded the following Special Convention :

## PART I. LEASING ARRANGEMENTS CONCERNING KIAO-CHAU.

His Majesty the Emperor of China, in pursuance of the object of strengthening the friendly relations between China and Germany and increasing the military preparedness of the Chinese Empire, gives his promise—while he reserves to himself all rights of sovereignty in a zone fifty kilometres (one hundred Chinese *li*) in width surrounding the line of high-water mark of Kiao-chau Bay—to permit within this zone the free passage of German troops at all times, and also to make no decree concerning measures of policy or administration affecting this zone without the previous assent of the German Government, and especially not to interpose any hindrance to any regulation of the water-courses which at any time may become necessary. His Majesty the Emperor of China hereby reserves to himself the right, in friendly understanding with the German Government, to station troops in the zone above mentioned, and also to decree other military administrative measures.

*Article II.*

With the object of fulfilling the justifiable wish of the German Emperor, that Germany, like other Powers, may have a place on the Chinese coast under its own jurisdiction, for the repair and fitting out of its ships, for the storing of materials and supplies for the same, and also for the establishment of other appliances connected therewith, His Majesty the Emperor of China concedes to Germany, by way of lease, provisionally for ninety-nine years, both sides of the entrance to Kiao-chau Bay. Germany undertakes to carry through to completion, upon the territory conceded to it, the fortifications for the protection of the buildings and establishments and for the defence of the entrance of the harbour.

*Article III.*

In order to prevent any possibility of conflicts arising, the Imperial Chinese Government will not, during the term of the lease, exercise rights of sovereignty, but concedes the exercise of the same to Germany, over the following explicitly defined territory:

1. On the northerly side of the entrance of the bay: The tongue of the land bounded on its north-easterly side by a line drawn from the north-easterly corner of Potato Island to Loshan Harbour.

2. On the southerly side of the entrance of the bay: The tongue of land bounded on its south-westerly side by a line drawn from the south-westerly point of the inlet situated south-westward of Shiposan Island in a straight line to Tolosan Island.

3. The Chiposan Islands and Potato Island.

4. The whole expanse of water of the bay up to the highest water-mark as it is at this time.

5. All the islands which front upon Kiao-chau Bay, and which require to be taken into consideration for the defence of the bay from the side towards the sea, namely, for example, Tolosan, Tschalientau, etc.

The High Contracting Parties bind themselves to have planned out and established an exact fixation of the boundaries of this territory leased to Germany, and also of the fifty-kilometre zone around the bay: this to be done by commissioners appointed by both parties respectively and in a manner adapted to the local circumstances.

Chinese warships and merchant-ships shall participate in all privileges in Kiao-chau Bay on the same basis with the other nations which are on friendly terms with Germany, and the entrance and departure, as well as the sojourn of Chinese ships in the bay, shall be subjected to no other limitations than those which the Imperial German Government, by authority of the rights of sovereignty over the whole extent of the bay ancillary to its land-rights, and hereby conceded to it, may, at any time, by public decree, declare to be prohibitions applicable to the ships of other nations.

*Article IV.*

Germany obligates itself to erect the necessary guides and signals for navigation on the islands and shoals in front of the entrance of the bay.

No imposts shall be collected from Chinese warships or merchant-ships in Kiao-chau Bay, except those to which other ships are subjected for the purpose of the upkeep of the necessary harbour and wharf establishments.

*Article V.*

In case Germany should hereafter at any time express the wish to give back Kiao-chau Bay to China before the expiration of the term of the lease, China obligates itself to make good the expenditures which Germany shall have made in Kiao-chau, and to concede to Germany a better place to be under Germany's own jurisdiction.

Germany obligates itself never to give any kind of leasehold right to any other Power.

The Chinese people residing in the leased territory, assuming that they demean themselves in conformity with the laws and the public order, shall participate at all times in the protection of the German Government. So far as their lands are not included in plans for public improvements, they shall be at liberty to remain upon them.

If parcels of real estate owned by Chinese shall be included in plans for public improvements, the owner shall be indemnified for them.

As respects the reorganization of the Chinese custom-stations which, as formerly situated, were outside the leased territory of Germany, but within the community-zone of fifty kilometres, the Imperial German Government intends to enter into an amicable understanding with the Chinese Government in regard to the determinate regulation of the customs boundary and the collection of customs, in a manner which will protect all the interests of China ; and it binds itself to enter into further negotiations on this subject.

## PART II. RAILROAD AND MINING CONCESSIONS.

*Article I.*

The Imperial Chinese Government grants to Germany the concession for the following lines of railroad in the Province of Shantung :

1. From Kiao-chau by way of Weihsien, Chingchou, Poshan, Tzechuan and Tsouping to Tsinanfu, and from thence in a straight line to the boundary of Shantung ;

2. From Kiao-chau to Ichoufu, and from thence onwards through Laiwuhsien to Tsinanfu.

It is understood that the building of the section from Tsinanfu to the boundary of Shantung shall not be entered upon until after the completion of the road to Tsinanfu, in order that an opportunity may be given for considering the connection of this line with the line to be built by China itself. The special agreement to be made after consultation, in regard to the details of all the undertakings, shall determine the route for this last section.

*Article II.*

For the building of the above-named lines of railroad, one or more German-Chinese railroad companies shall be formed. German and Chinese merchants shall be at liberty to contribute capital therefor, and on both sides there shall be named trustworthy officials to supervise these undertakings.

*Article III.*

For the regulation of the details a special agreement will be drawn up between the High Contracting Parties. China and Germany will regulate the matter for themselves. Nevertheless the Chinese Government hereby obligates itself to the German-Chinese railroad companies which are to build the railroads to concede fair terms for the building and operation of the designated railroads, so that in all economic questions they shall not be placed in a worse position than other Chinese-European companies elsewhere in the Chinese Empire. This provision has reference only to economic matters. No part whatsoever of the Province of Shantung can be annexed or occupied by the building of the railroad lines.

*Article IV.*

Along the railroads above named within a space of thirty *li* from the lines, especially in Poshan and Weihsien on the Kiaochau-Tsinanfu line, and also in Ichoufu, and Laiwuhsien on the Kiaochau-Ichoufu-Tsinanfu line, it shall be permissible for German contractors to work the coal-beds, and carry on other undertakings, and also to carry into execution the plans for necessary public works. As respects these undertakings, German and Chinese merchants shall be at liberty to associate themselves in the furnishing of the capital. As in the case of the railroad concessions, so also as respects the working of mines, appropriate special arrangements will be agreed upon after mutual consultation. The Chinese Government hereby promises to concede to the German merchants and engineers fair terms in all respects, in harmony with the arrangements above mentioned undertaken by it in reference to railroads, so that the German contractors shall not be placed in a worse position than other Chinese-European companies elsewhere in the Chinese Empire. Moreover, this provision has reference only to economic matters, and has no other meaning.

**PART III. PRIORITY RIGHTS IN THE PROVINCE OF SHANTUNG.**

The Imperial Chinese Government obligates itself, in all cases in which for any purposes whatsoever within the Province of Shantung the asking of foreign aid in persons, capital or material



shall be under consideration, to tender the public works and the supplying of materials to which the plans relate, for a first bid, to German industrial-development-engineers and material-supply-merchants who are engaged in similar undertakings.

In case the German industrial-development-engineers and material-supply-merchants are not inclined to undertake the carrying out of such works or the supplying of the materials, China shall be at liberty to proceed in any other manner at its pleasure.

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The foregoing arrangements shall be ratified by the Sovereigns of the two States which are the makers of this agreement, and the instruments of ratification shall be so exchanged that upon the receipt in Berlin of the instrument of ratification on the part of China the instrument of ratification on the part of Germany shall be handed to the Chinese Minister in Berlin.

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The foregoing agreement is drawn up in four originals—two German and two Chinese; and on the sixth of March, one thousand eight hundred and ninety-eight, equivalent to the fourteenth day of the second moon in the twenty-fourth year of Kuang-hus, it was signed by the representatives of the two States which are the makers of the agreement.

*The Imperial German Minister.*

(Signed)      BARON VON HEYKING.

*The Imperial Chinese Chief Secretary, Minister of the Tsungli-Yamen, etc., etc., etc.*

(Signed)      LI HUNG-CHANG.

*The Imperial Chinese Chief Secretary, Member of the Council of State, Minister of the Tsungli-Yamen, etc., etc., etc.*

(Signed)      WENG T'UNG-HO.

## CHAPTER VII

### JAPAN'S COMMERCIAL EXPANSION

1914-18

"Peace is a great prize."

MARQUIS OKUMA in 1915.

IN *Japan at the Cross Roads* I suggested that the war would prove a great opportunity for Japanese industry and commerce, and my forecast has been justified by events. The "Yellow Peril" as an economic menace was previous to 1914 practically confined to Eastern Asia. Since 1914 it has become a very present thought in regard to our Indian Empire, to Australia, South Africa, the whole of the Pacific, and even in South America. The submarine campaign had the result—of course only one amongst many—of drawing a line from Port Said to New York. This line, on leaving the Mediterranean, ran south of the Azores and then curved up to the American Atlantic coast. That line delimited the area of Japanese commercial activity, and almost equally our own. Everywhere south of it was open to Japanese economic penetration. North of it Japanese shipowners refused to risk their vessels. Previous to the war, raw silk, habutæ, copper, coal and cotton fabrics and goods were the basis of the Japanese export trade. The principal imports were foodstuffs, cotton and other textile raw materials, iron, steamers and machinery. In 1913 China and the United States accounted for almost exactly 66 per cent. of Japanese exports. Of the imports 42 per cent. came from the British Empire, and 60 per cent. of this propor-

tion from India and Great Britain. Of the rest China accounted for 15 per cent., the United States for 20 per cent. and Germany for 8 per cent. The total value of Japanese imports and exports in the two pre-war years was:

	Exports.		Imports.	
	1914.	1913.	1914.	1913.
Japanese origin .. .. .	Y586,797,295	Y629,526,250	Y1,233,504	Y805,515
Foreign origin .. .. .	4,304,166	2,933,963	594,502,221	728,626,129
Total.. .. .	Y591,101,461	Y632,460,213	Y595,735,725	Y729,431,644
<hr/>				
	1914.		1913.	
Total trade .. .. .	Y1,186,837,186		Y1,361,891,857	

A table on p. 176 shows the geographical distribution of exports and imports in the years immediately preceding the war.

Before proceeding to show what has happened during the war some attention must be given to two very important factors in the situation, the financial conditions in Japan and the pre-war states of the Japanese mercantile marine. Before 1915 Japan was a debtor country. She had to find every year a considerable sum of money for the payment of the service of her foreign debt. At the close of the financial year on March 31, 1914, the funded national debt totalled Y2,584,122,000, representing Y36,609 per capita, the service of which required Y117,322,000. By March 31, 1915, the total funded debt had been reduced to Y2,506,839,663, of which Y1,514,839,663 was foreign debt, needing an annual payment abroad of Y66,500,000 for interest only. In addition to these national loans there was about £45,000,000 owing abroad by municipalities and various industrial and economic corporations. At the outbreak of the Great War, therefore, Japan was being financed from abroad, principally by London, to the tune of £200,000,000, not a great sum according to post bellum ideas of money,

## JAPAN'S FOREIGN POLICIES

## GEOGRAPHICAL DISTRIBUTION.

				Exports.		Imports.	
				1914.	1913.	1914.	1913.
				Yen.	Yen.	Yen.	Yen.
<b>Asia.</b>							
China .. .. .				162,370,024	154,000,428	58,305,873	61,223,038
Kwangtung .. .. .				22,270,379	29,830,348	31,277,010	30,871,894
Hongkong .. .. .				33,277,071	31,021,078	876,022	1,294,749
British India .. .. .				26,048,337	29,873,414	160,324,460	173,173,861
Straits Settlements .. .. .				9,129,810	10,141,588	4,000,730	5,205,014
Dutch India .. .. .				5,479,285	5,148,680	22,021,041	37,389,237
French Indo-China .. .. .				803,545	1,055,191	15,052,211	24,699,894
Asiatic Russia .. .. .				10,413,147	4,271,413	1,925,695	750,486
Philippine Islands .. .. .				6,799,109	6,283,550	7,389,469	7,647,833
Siam .. .. .				563,091	1,035,293	4,173,526	5,793,124
Total .. .. .				277,124,704	275,927,865	303,540,192	348,055,150
<b>Europe.</b>							
Great Britain .. .. .				33,086,274	32,869,657	92,392,307	122,736,970
France .. .. .				31,299,330	60,229,619	4,371,217	5,828,992
Germany .. .. .				9,962,093	13,131,700	44,922,095	68,394,789
Belgium .. .. .				2,361,468	3,795,562	6,453,386	9,448,023
Italy .. .. .				11,906,807	29,116,729	753,011	1,077,855
Switzerland .. .. .				59,257	322,187	1,547,839	1,794,995
Austro-Hungary .. .. .				544,795	937,537	1,006,090	3,890,017
Holland .. .. .				531,296	669,143	621,308	810,103
Sweden .. .. .				38,185	73,920	4,881,439	5,089,514
Norway .. .. .				7,913	4,314	761,848	627,284
Russia .. .. .				1,967,802	4,897,420	19,099	40,943
Spain .. .. .				342,530	433,048	186,202	304,820
Denmark .. .. .				369,811	335,564	72,728	203,703
Turkey .. .. .				194,958	183,801	18,740	25,747
Portugal .. .. .				18,765	15,941	5,744	16,270
Total .. .. .				91,791,374	147,225,481	158,843,773	220,290,124
<b>Americas.</b>							
United States .. .. .				196,539,068	184,473,352	96,771,077	122,408,361
British America .. .. .				4,991,725	5,092,018	1,971,021	1,839,426
Mexico .. .. .				230,918	525,296	149,034	5,957
Peru .. .. .				117,859	117,759	281	18
Chile .. .. .				63,845	131,397	2,607,129	2,773,388
Argentina .. .. .				308,828	1,122,597	18,121	7,522
Total .. .. .				202,271,333	191,760,514	100,618,815	127,034,672
Australia .. .. .				10,868,595	8,637,971	14,586,498	14,943,145
Hawaii .. .. .				4,891,899	4,992,111	14,142	99,538
Egypt .. .. .				1,822,610	1,371,112	6,828,986	7,143,195
Other countries .. .. .				2,934,491	2,139,516	6,715,461	7,434,785
In bonded warehouses .. .. .						3,127,427	3,941,383
Unknown .. .. .				293,629	414,640	446,511	498,652
Grand total .. .. .				591,101,461	632,466,213	595,735,725	729,431,644

but a very considerable sum according to pre-war ideas and especially in view of Japan's limited resources.

One of the great disadvantages which foreigners suffer from in dealing with Japan is the ubiquity and omnipotence of the Japanese Government. A Manchester cotton-spinner, in quoting against an Osaka mill in the China market, is, in fact, quoting against the Japanese Government. A shipowner trying to cut rates against the N.Y.K. or the O.S.K. is really cutting against the Japanese Government. A British firm of contractors tendering for the construction of a railway or any other public works in China has against him not only all the influence of the Japanese Foreign Office, but the very real weight of every branch of Japanese official activity. It is the same in every branch of commerce.

When Marquis Matsukata devised the Japanese banking system he did it on what he described as the principle of the division of labour. The Bank of Japan was created as the central bank, and round it were arranged groups of banks, each with a specified leader, to deal with particular branches of activity. The head bank of each group is entitled "Special Bank," is regulated by Special Laws, and in return for special privileges undertakes special obligations. The Bank of Japan is not only the Central Bank, but also the Special Bank for internal trade. The Yokohama Specie Bank is the Special Bank for foreign trade, for the development of which it was founded. Under its Act of Organization it originally received an annual loan, free of interest, from the Government,<sup>1</sup> but now it is enabled to rediscount foreign bills with the Bank of Japan up to Y20,000,000 per annum at 2 per cent.

The Industrial Bank was specially organized for the purpose of financing industrial concerns by the issue of mortgage debentures. Its issues in Japan are limited to Y175,000,000 or ten times the paid-up capital, but its

<sup>1</sup> The old system of free loans to banks for specific purposes has now been entirely abolished, and during the past three years funds have been advanced by the Government to the banks to finance industrial undertakings by Japanese in China and elsewhere.

issues abroad are unlimited. It never, however, finances any but Japanese or pseudo-Japanese concerns, and almost invariably under official or semi-official ægis. The Bank of Taiwan is the leading colonial bank, and has recently devoted great energy to the extension of its business in Southern Asia. At the end of 1913 the deposits in the Japanese banks totalled ¥2,211,242,000; loans were ¥1,412,690,000 and bills discounted ¥1,381,306,000.

Japan, like the United Kingdom, is an island and dependent for all its imports and exports on sea power. For long before the war great attention had been paid to the expansion of the Japanese mercantile marine. The following table shows the total and subdivisions of Japanese steamers over 20 tons at the end of 1910; of 1913, the last pre-war year; and 1914, when the war had been in progress for four months:

Year.	Over 10,000 g.t.	5,000 to 10,000 g.t.	2,000 to 5,000 g.t.	1,000 to 2,000 g.t.	Below 1,000 g.t.	Total.
1910 .. .. .	2	39	176	121	1,365	1,703
1913 .. .. .	5	50	222	129	1,666	2,072
1914 .. .. .	8	53	226	127	1,710	2,133

The table below gives the number and gross tonnage of steamers from 1907 to 1914:

#### STEAMERS.

Year.	No.	Gross Tonn.
1907 .. .. .	2,223	1,116,945
1908 .. .. .	2,304	1,160,440
1909 .. .. .	2,366	1,198,194
1910 .. .. .	2,545	1,244,909
1911 .. .. .	2,844	1,386,534
1912 .. .. .	3,064	1,442,884
1913 .. .. .	3,286	1,528,264
1914 .. .. .	3,636	1,623,092

There are two points to notice with regard to the pre-war mercantile fleet of Japan. The first is that the number of

steamers of 1,000 gross tons is small, representing in 1914 less than 20 per cent. of the total fleet, and even if ships of between 500 and 1,000 tons are added, only representing 26 per cent. The vast majority of Japanese steamers had, therefore, to be employed in the coastal and short sea trade, as the Gulf of Pechili and the Northern China waters. The second point to be noticed is the large proportion of the useful ships built abroad, which the following statistics, for 1914, show:

		Steel.	Iron.	Iron and Wood.	Wood.	Wood and Steel.	Total.
Built in Japan ..		476	17	4	1,143	5	1,645
Built abroad ..		329	104	5	44	1	483
Total .. ..		805	121	9	1,187	6	2,128*

\* Plus 5 unknown.

Of the steel vessels, therefore, a fraction of over 38 per cent. came from abroad, and the table on page 180 shows that from 1900 to 1915 no less a sum than £5,067,000 was spent in buying foreign steamers. But even this was not the full amount, because a considerable number of second-hand steamers were purchased abroad by Japanese owners and registered at Dairen, to evade the heavy import duty of ¥51 per ton. The cost of these ships is not shown in the table below, but in 1913 it was estimated to have already exceeded £2,000,000. The tonnage registered at Dairen totals 249,000 gross tons, all of which was second-hand.

The following table shows the purchases of second-hand cargo tonnage from 1912 to 1914:

Year.	Registered in Japan.		Registered at Dairen.		Total.	
	No.	Gross Tons.	No.	Gross Tons.	No.	Gross Tons.
1912 .. ..	11	36,793	13	45,824	24	82,617
1913 .. ..	15	40,159	39	137,427	54	177,586
1914 .. ..	16	16,515	19	65,305	35	81,820
Total .. ..	42	93,467	71	248,556	113	342,023

In addition eight second-hand passenger steamers of 21,334 gross tons were imported at Dairen. Seventy of the seventy-eight Dairen registrations were ex-British. All were bought for the oversea trade, as only ships registered in Japan were allowed to engage in the coastwise trade.

#### STEAMERS ORDERED IN EUROPE BY JAPAN.<sup>1</sup>

		£			£
1900 .. ..	264,000	1909 .. ..	27,000		
1903 .. ..	173,000	1910 .. ..	86,000		
1904 .. ..	932,000	1911 .. ..	364,000		
1905 .. ..	766,000	1912 .. ..	394,000		
1906 .. ..	174,000	1913 .. ..	400,000		
1907 .. ..	302,000	1914 .. ..	284,000		
1908 .. ..	234,000	1915 .. ..	263,000		

The dependence of Japan upon seaborne traffic may be gathered from the following tables :

#### JAPAN'S SEABORNE TRADE.<sup>1</sup>

Year.	Exports.	Imports.	Total.
	Yen.	Yen.	Yen.
1913 .. ..	63,246,000	72,943,000	136,189,000
1912 .. ..	52,698,000	61,899,000	114,597,000
1911 .. ..	44,743,000	51,380,000	96,123,000
1910 .. ..	45,842,000	46,423,000	92,265,000
1900 .. ..	20,442,000	28,726,000	49,168,000

#### GEOGRAPHICAL DISTRIBUTION OF JAPAN'S SEABORNE EXPORTS.<sup>1</sup>

Year.	To Asia.	To Europe.	To North and South America.	To other Countries.
	Yen.	Yen.	Yen.	Yen.
1913 .. ..	27,592,000	14,722,000	19,176,000	1,754,000
1912 .. ..	21,872,000	11,431,000	17,581,000	1,813,000
1911 .. ..	17,691,000	10,528,000	14,750,000	1,773,000
1910 .. ..	18,628,000	10,857,000	14,855,000	1,502,000
1900 .. ..	9,501,000	4,285,000	5,555,000	464,000

<sup>1</sup> *The Syren and Shipping*, January 2, 1918.



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## GEOGRAPHICAL DISTRIBUTION OF JAPAN'S SEABORNE IMPORTS.

Year.	To Asia.	To Europe.	To North and South America.	To other Countries.
	Yen.	Yen.	Yen.	Yen.
1913 .. ..	34,805,000	22,029,000	12,703,000	3,404,000
1912 .. ..	26,004,000	20,330,000	12,954,000	2,608,000
1911 .. ..	21,730,000	19,356,000	8,426,000	1,966,000
1910 .. ..	22,605,000	16,376,000	5,748,000	1,690,000
1900 .. ..	8,986,000	12,639,000	6,309,000	790,000

The war has taught a great many nations the vital importance of a national mercantile marine and the folly of being entirely or even mainly dependent on foreign shipping for the transportation of the country's foodstuffs, and commercial exports and imports. The Japanese recognized this many years ago, and the two analyses given below show that since 1910 about 50 per cent. of her exports and some 40 per cent. of her imports have been carried in her own steamers.

## NATIONALITY OF STEAMERS CONVEYING GOODS EXPORTED FROM JAPAN.

Year.	Japanese.	British.	United States.	All other nations.	Total.
	£	£	£	£	£
1900 .. ..	6,257,000	6,852,000	762,000	5,709,000	19,580,000
1905 .. ..	4,380,000	12,945,000	4,557,000	9,908,000	31,790,000
1910 .. ..	21,426,000	11,584,000	3,857,000	8,426,000	45,293,000
1913 .. ..	32,727,000	15,304,000	4,433,000	10,097,000	62,561,000

## NATIONALITY OF STEAMERS CONVEYING GOODS IMPORTED INTO JAPAN.

Year.	Japanese.	British.	Other Nations.	Total.
	£	£	£	£
1900 .. ..	8,163,000	12,894,000	6,243,000	27,300,000
1905 .. ..	1,922,000	30,928,000	14,883,000	47,733,000
1910 .. ..	20,120,000	17,510,000	8,453,000	46,083,000
1913 .. ..	33,747,000	23,376,000	14,717,000	71,840,000

It is quite clear from these tables that before the war the competition for Japan's trade lay between the British and the Japanese, and this is made even more emphatic by the following statistics :

STEAMSHIPS ENTERED FROM FOREIGN COUNTRIES.

Year.	Japanese.		British.		Other Nations.		Total.	
	No.	Tons.	No.	Tons.	No.	Tons.	No.	Tons.
1914 ..	6,307	12,712,000	1,875	6,697,800	1,269	4,174,300	9,451	23,584,000
1913 ..	6,229	12,529,500	2,166	7,228,400	1,493	4,900,900	9,888	24,658,800
1912 ..	5,358	10,220,200	2,058	6,626,800	1,541	4,786,800	8,957	21,633,800
1911 ..	5,172	9,338,600	1,934	6,152,000	1,470	4,502,700	8,576	19,993,300
1910 ..	5,932	9,261,000	1,970	6,152,300	1,540	3,108,700	9,442	20,073,600
1905 ..	2,400	1,771,600	2,518	6,754,200	2,915	5,733,200	7,833	14,259,000
1900 ..	2,645	3,363,700	1,542	3,739,800	1,143	2,503,500	5,330	9,606,200

The Japanese shipping industry has, for very many years, had the benefit of a subsidy. The first Shipbuilding and Navigation Bounty Laws were passed in 1896, and have been amended at various times since.<sup>1</sup> There were previous to the war 238 shipyards in Japan, but very few of these were of any importance. The principal yards were those of the Mitsubishi at Nagasaki and Kobe; of the Kawasaki Company at Kobe; of the Osaka Iron-works on the Bay of Osaka; and the Ishikawajima and Uruga Companies near Yokohama. In 1914 there were 22 building berths for steel steamers of over 1,000 tons gross, and the output was estimated at 60,000 gross tons per annum. Actually, in 1912, 168 mercantile steamers of 48,155 gross tons were launched; in 1913, 115 steamers of 51,525 gross tons; and in 1914, 79 steamers of 82,873 gross tons.

Such, briefly and very inadequately, was the trend of Japanese economics previous to the European catastrophe in August 1914. The salient features are that Japan was

<sup>1</sup> See *Japan at the Cross Roads* (pages 266-284) for a full account of the development of the Japanese shipping industry.

then a debtor country ; that her foreign trade totalled for the year ending July 30, 1914, ¥1,359,950,901 ; that her exports, on which she primarily depends for economic life, were directed firstly to Asia, secondly to North America, and thirdly to Europe ; that she was already a maritime Power, but largely dependent for her ocean shipping on purchases from abroad ; and finally that her shipbuilding production was on a creditable but nevertheless small scale, due to the lack of raw material. What then has the war done for Japan that an economic " Yellow Peril " has in the minds of many experienced and competent business men passed from being only a phrase into an actuality ?

The National Debt has been substantially reduced, in spite of the expenditure incurred during the war in connection with naval operations in Europe and military operations in China and Siberia. The table below shows the internal and external debts for the financial years 1914-1919 :

*In Million Yen.*

	1914.	1915.	1916.	1917.	1918.	1919.
Internal .. .. .	1,054·6	991·5	1,028·1	1,097·5	1,160·0	1,268·9
External .. .. .	1,529·5	1,514·8	1,461·1	1,370·2	1,338·8	1,311·1

In addition to this reduction in debt a sum of ¥1,200,000,000 has been invested in Entente securities. The real reduction of debt is therefore very much larger than appears from the table, and is approximate to very early wiping out the whole of the external debt.

The foreign trade of Japan for the year ending February 27, 1919, totalled ¥3,703,727,096, being an increase of 172 per cent. over the last twelve months before the war. Such a trade turn-over finds itself reflected in the figures of the banks. Clearing-house bills increased during the year ending February, 1919, 432 per cent. over those of the pre-war year ; Post Office Savings Bank deposits increased 186 per cent.

	Year ending July 31, 1914.	Year ending February 27, 1919.
	Yen.	Yen.
Foreign Trade .. .. .	1,359,950,901	578,037,000 at May 30, 1919
P.O. Savings Banks Deposits ..	201,687,000	848,740,000
Note Issue: Bank of Japan ..	331,035,396	705,680,000
Specie Reserve .. .. .	216,503,420	3,703,727,096

IMPORTS.  
*In Million Yen.*

	1913.	1914.	1915.	1916.	1917.	1918.	+ or - 1913-18 actual.
Asia .. ..	348.1	304.5	301.9	368.3	475.5	812.7	+464.6
Europe .. ..	220.3	158.8	79.0	108.4	82.2	82.8	-137.5
North America ..	124.2	97.8	103.5	205.7	362.2	633.8	+509.6
South America ..	3.0	2.8	3.2	6.8	14.5	21.2	+ 18.2
Africa .. ..	7.2	6.8	6.2	8.4	11.2	38.6	+ 31.4
Australia ..	14.9	14.6	28.6	43.3	32.9	48.9	+ 34.4
Total	717.7	585.3	522.4	840.9	978.5	1638.0	+920.3

The most striking feature of the change which has come over the Japanese situation is that of direction of trade, and as, unfortunately, it takes practically two years to get Japanese statistics, it is impossible to fortify arguments by official Japanese figures of a later date than 1917. If we dissect Japanese exports and imports under Continents, we get the following result :

EXPORTS.  
*In Million Yen.*

	1913.	1914.	1915.	1916.	1917.	1918.	+ or - 1913-18 actual.
Asia .. ..	275.9	277.1	341.5	505.5	704.1	935.6	+659.7
Europe .. ..	147.2	91.8	126.1	216.5	335.2	298.3	+151.1
North America ..	189.5	201.5	211.0	251.5	494.6	577.5	+388.0
South America ..	2.2	1.0	2.2	5.0	9.0	19.6	+ 17.4
Africa .. ..	1.2	2.3	2.0	9.6	20.3	47.8	+ 46.6
Australia ..	8.6	10.9	18.1	27.8	27.3	64.8	+ 56.2
Total	624.6	584.6	700.9	1115.9	1590.5	1943.6	+1319.0

From this it appears that in actual volume of exports Japan has made most progress in Asia, but a more noteworthy feature is the hold which she has obtained in entirely new markets, as South America and in Africa. The following analysis shows how she has developed her export trade with some of these newer markets :

*In Million Yen.*

	1913.	1914.	1915.	1916.	1917.	1918.
British India .. ..	29'9	26'0	42'2	71'6	101'3	202'5
Straits Settlements ..	10'1	9'1	12'6	18'5	28'0	42'5
Asiatic Russia .. ..	4'3	10'4	28'3	117'7	74'2	40'1
Dutch Indies .. ..	5'1	5'5	8'4	17'4	36'2	71'7
Philippines .. ..	6'3	6'7	7'8	11'5	16'9	23'5
Norway .. ..	—	—	—	10'1	2'0	—*
Argentina .. ..	1'4	0'3	1'1	1'3	3'5	25'7
Canada .. ..	5'1	5'0	7'0	11'3	16'2	27'3
Peru .. ..	0'1	0'1	0'1	0'5	0'7	2'1
Chile .. ..	0'1	—	0'2	0'9	2'3	4'7
Brazil .. ..	—	—	0'5	1'1	2'1	6'9
Cape Colony and Natal	0'5	0'5	1'0	4'3	6'8	18'3
Egypt .. ..	1'4	1'8	1'0	5'4	13'5	28'5

\* Norway was in reality country of entry for Sweden and Denmark, which countries were closed by the submarine campaign and by mine fields.

The remarkable increase in Japanese trade was due partly to the rise in silver, creating a greater purchasing value in China ; secondly, to orders directly connected with the war, principally for munitions and foodstuffs ; and thirdly, to orders from new markets to replace commodities no longer procurable from Europe. In the import trade America to a great extent had to replace Europe as a seller to Japan. The embargo on the export of Australian wool sent Japanese buyers to South Africa, whilst the difficulty of getting American cotton largely increased the supplies of that commodity obtained from India and even Egypt.

As compared with 1913 the principal export increases were :

*In Million Yen.*

	1913.	1917.	1918.
Silk .. .. .	247.9	450.4	539.6
Cotton goods.. ..	108.8	248.5	415.7
Ores and metals .. ..	31.5	171.8	109.5 *
Machinery .. .. .	6.4	117.7	110.7 *
Steamships .. .. .	—	97.7	221.5*

\* Estimated.

The increased export of silk was mostly to America and was due to war requirements and the failure of European supplies. The sale of steamers was a natural result of the submarine campaign. The increase in cotton fabrics went largely to China, India and the South Seas. Ores and metals went to Entente countries and the principal proportion of the same was copper. It is to be noted that in many cases quantities exported were not substantially in excess of pre-war figures, but the increase is due to the rise in prices. As the rise in labour costs in Japan bear no comparison with the rise in prices, it will be gathered that business in Japan during the war was highly profitable.

The following table shows the industrial movement in the cotton trade from 1913 to 1916, the last year for which figures are available :

Cotton.	1913.	1914.	1915.	1916.	1917.
Capital (Y1,000) .. ..	77,575	81,236	85,279	94,250	111,888
Spindles.. .. .	2,344,464	2,409,939	2,787,720	3,045,676	3,106,820
Yarn production (1,000 kwan*)	81,254	82,342	85,288	93,004	93,678
Employees { Male .. ..	21,264	22,420	23,951	26,632	29,006
{ Female .. ..	93,724	93,585	100,894	103,018	104,869
Daily wage { Male .. ..	45	48	48	50	57
{ Female .. ..	29	30	30	32	38
(in sen)					
Hours per day.. .. .	19	21	20	20	19
Days per annum .. ..	320	308	289	319	323

\* (1 kwan = 10.047 lbs. troy.)

It would appear that the increased output that has

been obtained is by no means proportionate to the energy and capital expended on the 1913 basis. Output has increased 15·2 per cent.; labour cost has increased 15·7 per cent.; whilst the labour turn-over has risen 18 per cent. The output per hour per man decreased over 3 per cent. The increase in the selling price of yarn was 71 per cent. Ginned cotton advanced 68 per cent. and coal 100 per cent. The price of labour is a prime factor in any consideration of Japanese industrial competition. Between 1900 and 1913 there had been a substantial rise in wages, which have risen very sharply since the war broke out. The official table of Index Numbers gives, for example:

	1913.	1916.	1917.
Weaver .. .. .	136·4	148·5	175·4
Dyer .. .. .	172·4	182·8	200·0
Cotton whipper .. .. .	154·1	140·5	167·6
Carpenter .. .. .	163·0	157·4	177·8
Shipbuilder .. .. .	162·5	171·4	212·5
Brickmaker .. .. .	164·4	166·6	186·7
Cabinetmaker .. .. .	168·0	160·0	176·0
Founder .. .. .	155·3	159·6	183·0
Blacksmith .. .. .	152·1	156·3	189·6

1900 = 100.

The importance of the cotton industry to Japan may be gathered from the interest and attention which is being paid by Japanese firms to Indian cotton. The following table shows Japan's imports of raw cotton since 1911:

*In Million Yen.*

	1911.	1912.	1913.	1914.	1915.	1916.	1917.	1918.
British India	88·1	108·7	143·0	145·5	139·7	165·2	204·3	210·1
China ..	22·5	19·0	16·5	11·7	15·3	19·7	30·6	88·8
Dutch Indies	0·3	0·2	0·6	0·2	0·1	1·0	0·2	1·5
Egypt ..	5·4	6·0	6·2	5·7	5·8	8·3	10·8	8·9
FrenchIndo- China }	0·6	1·8	1·9	1·6	0·5	1·7	0·6	0·5
U.S.A. ..	29·3	64·6	64·2	54·0	55·6	79·4	84·1	205·1
Other countries }	0·6	0·7	1·1	0·3	0·2	0·8	0·3	0·7

The following from a recent message from *The Times* correspondent at Simla illustrates what is happening in India :

It is generally realized that during the war Japanese traders obtained a strong hold on the Indian market. The figures for the official year 1918-19 show that in that period imports into India from Japan reached a total of Rs. 33½ crores (£22,333,333), which was practically equivalent to one-fifth of India's total import trade. In the previous year imports from Japan amounted to Rs. 12½ crores (£12,333,333), and in 1916-17 to Rs. 13½ crores (£8,833,333).

What is not so generally appreciated is the important part which Japanese houses established in India play in the trade carried on between India and countries other than Japan. The census of 1911 showed that there were at that time only 32 male Japanese in India, excluding Burma. There are now large Japanese colonies, both in Calcutta and Bombay, which appear to be steadily growing in numbers and importance. Three Japanese exchange banks, moreover, are carrying on business in India, whereas three years ago there was only one.

Ten years ago the greater part of the Japanese products imported into India were carried in British ships, financed by British banks, and distributed by British or Indian traders. Now, however, 90 per cent. of these goods come into India in Japanese steamers. They are to a large extent consigned to Japanese firms, and the trade is mainly financed and distributed by Japanese nationals. Similar conditions obtain in the export trade. The Japanese Cotton Spinners' Association practically dominates the market for raw cotton, and Japanese buyers are found in the cotton markets in the rural areas. In many cases they gin and bale their own purchases.

To illustrate the growth of Japanese shipping enterprise, one has only to observe that since 1912-13 the cargoes carried by Japanese shipping companies between India and countries other than Japan have risen from 30,000 tons to 529,000 tons.



But the efforts of the Japanese cotton magnates is directed not only to the development of the Osaka trade, but also to controlling the production of cotton goods in China.<sup>1</sup>

A writer in the *Chugwai Shogyo Shimbun*, quoted in a dispatch from H.M. Commercial Secretary at Yokohama, states that the following Japanese companies—the Naigwai-wata Kaisha, the Shanghai, Boseki Kaisha and the Nikkwa Boseki Kaisha, into which the Hungyuan Spinning Company was recently amalgamated by Japanese interests, are already operating in China. During the war various rumours were in circulation that other Chinese companies were going to be bought up by Japanese interests, but the high price asked by the Chinese owners and difficulties of importing machinery seem to have stood in the way. The article states that the machinery installed in the concerns by the Chinese were, as a rule, old, and it seems to have been the impression that the Chinese owners were endeavouring to sell off old machinery at a high price to Japanese buyers, with the intention of getting newer and cheaper machinery after the war which would place them in an advantageous position. Accordingly, the only negotiations which succeeded were those for the sale of the Hungyuan Spinning Company above mentioned. It is significant that the Presidents or Directors of such large companies as the Dai Nippon, Toyo, Kanegafuchi, Fuji, Nisshin, Kishiwada, Naniwa, Temma, Kosho, etc., have visited China recently. The establishment of Japanese spinning concerns in China has decidedly certain advantages, among which may be mentioned the low cost of land (about 30 yen per tsubo in Shanghai, as against 100 yen to 130 yen in Osaka), abundance of labour, low expenses for housing, education, etc., compared to costs in Japan. But against these conditions must be set such drawbacks as the inefficiency of Chinese operatives, “which, however, with proper guidance will be gradually remedied.” The writer further states that by transferring spinning companies from Chinese to Japanese management

<sup>1</sup> See also *Japan at the Cross Roads*, p. 257.

it will not be difficult to increase production immediately by 30 to 40 per cent. The superior position obtained by Japanese cotton yarn and fabrics on the Chinese market, whence they have driven Indian goods, and their recent rapid advance in India and Australia, have been obtained, without doubt, by the absence of strict restrictions of working hours and the low level of wages. To take the effect of the Indian Factory Law as an example: this law was introduced thirty years ago, and working hours were limited to 15 per day. In 1909 working hours were reduced to 12, and work at night, from 7 to 5.30, was forbidden. As a result, the costs of production suddenly rose sharply, and Indian cotton yarns, which had up to the time of enforcement of these regulations been exported in large quantities to China, were practically driven off that market by Japanese goods. In 1906 the import of Indian yarn at Shanghai stood to the import of Japanese yarn in the proportion of 311 to 100, and the second half of 1908 in the proportion of 555 to 100. Since 1909, however, the imports of Indian yarns have decreased, until the proportion has become 55 Indian against 100 Japanese. It would appear, therefore, that Indian manufacturers have been regulated out of the China market for the benefit of Japanese goods produced from the Indian raw material.

Another very important point to be noticed is the development of the metal industries in Japan. Previous to the war Japan was unable to compete in foreign markets with Europe. Since the war this has been largely changed—as regards the Chinese market at all events. Until 1914 it was a commonplace that Japan had no mineral resources. The Marquis Okuma, when Premier, emphasized the point in a speech at Kobe in 1914. Coal and copper were her only mineral products of importance. The table below gives the production of minerals from 1913 to 1918, and it is very obvious therefrom what a stimulus the war has been to Japan's mining and metallurgical industries.

	1913.	1914.	1915.	1916.	1917.	1918.
Copper (1,000 kin) ..	110,835	117,439	125,692	167,725	180,063	150,569
Lead (1,000 kin) ..	6,294	7,603	7,940	18,951	26,345	17,807
Pig-iron (1,000 kwan) ..	15,108	19,746	17,327	22,935	32,741	48,248
Steel (1,000 kwan) ..	3,660	4,102	4,469	81,346	98,672	88,915
Coal (metric tons) ..	21,315	22,293	20,490	22,901	26,361	28,030

(1 kin=1'607 lb. troy; 1 kwan=10'047 lb. troy.)

It is in supplies of iron ore that Japan has been weakest. For this she has to go abroad, as the production in Japan itself does not exceed 70,000 tons per annum. The ironfields of China are fated to play as great a rôle in the future history of Asia as have those of Lorraine and Briey in Europe. The war in Europe has given Japan the opportunity to grab the iron deposits of China, with the benevolent assent of this country and nominally that Japan might furnish munitions to Russia. Naturally the Chinese revolutions have hindered exports to Japan, but the hold which Japan has obtained over Chinese ore resources has given her supplies of enormous value and potentialities. The Tayeh Iron Mines, belonging to the Hanyehping Corporation, have an output of 700,000 tons per annum and a visible supply in the Tetaowan and Tiehshan Mines only of 50,000,000 tons. The ore is of very high grade—65 per cent. pure. The Hankow Ironworks, belonging to the same Corporation, have an output of 300,000 tons of pig-iron, 120,000 tons of steel, and when the new works at Tayeh are completed a considerable expansion of output will be made. The Taochung Mine is owned by the Sino-Japanese Industrial Corporation, a subsidiary of the Japanese Government. The visible ore is 60,000,000 tons (65 per cent. pure). The works being laid out are planned for a production of 170,000 tons of pig-iron, 100,000 tons of steel ingots and 75,000 tons of forgings and castings. The Penhsihu Mines, also belonging to Japan, cover one of the most extensive deposits in China. The workable ore is estimated at over 100,000,000 tons. The present output is 70,000 tons. It is being managed

by the South Manchurian Railway for the Japanese Government. The Osaka Arsenal, the I.J. Navy and the Osaka Ironworks have first call on the output. The Chinglingchen Iron Mine in Shantung also falls to Japan by the Twenty-one Demands. The general opinion of experts is that the deposits in Shantung are not very valuable, but those of Manchuria and Mongolia over which Japan has now obtained control are of very great importance.

What has been said about iron applies also to coal. The mines controlled by Japan now are the following :

Mine.	Province.	Established output.
Chunghsing Collieries .. .. .	Shantung	250,000
Fushun Collieries .. .. .	Manchuria	2,275,000
Hungshan Mines .. .. .	Shantung	800,000
Loping Mines .. .. .	Kiangsi	200,000
Niuhsintai Colliery .. .. .	Manchuria	200,000
Penhsihu Collieries .. .. .	Manchuria	275,000
Pingsiang Coal Mines .. .. .	Kiangsi	1,000,000
Poshan Mines .. .. .	Shantung	250,000
Shantung Besybau .. .. .	Shantung	560,000
Tzechuan Colliery .. .. .	Shantung	1,000,000

With an output of 7,000,000 tons Japan now controls 40 per cent. of China's total production of coal and over 75 per cent. of the output of modern-style mines.

The net result of the war to 1917 on Japanese and British trade with China was to vary their respective proportions as follows :

	1913.	1914.	1915.	1916.	1917.
	Per cent. 19'7	Per cent. 21'1	Per cent. 23'4	Per cent. 28'3	Per cent. 33'4
Japan .. .. .	48'0	49'0	47'2	40'9	39'7
British Empire ..					

An influence which will work to the disadvantage of British exporters in the future is the control Japan has obtained over Chinese railway communications. Since 1913 the following railways or railway concessions have fallen to Japan :

MANCHURIA—

Changchun Taonan,  
Taonan-Jchol and branch to coast,  
Tsuingkai-Chenchiatung,  
Kaiynan-Hailung-Kirin,  
Changchun-Kirin.

SHANTUNG—

Kaomi-Hanchwang,<sup>1</sup>  
Tsinanfu-Shuntehfu,<sup>1</sup>  
Shantung Railway system.<sup>2</sup>

It is perhaps in shipping that Japan is most likely to prove a formidable rival. The demand for ships has given her shipbuilding industry a tremendous upward swing and has immensely increased her potentialities as a maritime Power. It is very difficult to express any opinion on the future of this industry. Japan can and does build ships which will rank with those of the leading shipbuilders of the world. Also she can and does build "death-traps." Labour in the shipyards is still cheap: the average wage is still under 3s. a day. When necessity arises the Japanese yards can hustle as well and better than American. The Mitsu Bishi, the Kawasaki and the Asano yards in Japan have put up records in shipbuilding which have not been beaten anywhere in America, though very little has been heard of these performances on this side.<sup>2</sup> The layout of the Asano yard at Tsurumi in 1916 was something to make even the Shipping Board hustlers open their eyes, and no Shipping Board yard in America has produced work to compare with the cargo carriers put afloat at Tsurumi. The handicap to Japanese shipbuilding before the war was the necessity of importing their plates from abroad. It looks as if that disadvantage will soon be one of the past. Japan, instead of buying ships abroad, is building for

<sup>1</sup> German concessions.

<sup>2</sup> E.g. s.s. *Raifuku Maru*, built in twenty-three days at Kobe in 1919.

foreigners. The following table shows the number and tonnage of ships launched since 1913 :

Year.					Number.	Gross Tons.
1914	..	..	..	..	32	85,861
1915	..	..	..	..	26	49,408
1916	..	..	..	..	55	145,624
1917	..	..	..	..	104	350,141
1918	..	..	..	..	198	489,924
1919	..	..	..	..	133	611,883

The following table shows the number and gross tons of steamers registered in Japan :

Year.					Number.	Gross Tons.
1914	..	..	..	..	3,636	1,623,091
1915	..	..	..	..	3,487	1,621,205
1916	..	..	..	..	3,882	1,717,724
1917	..	..	..	..	4,042	1,849,902
1918	..	..	..	..	} Not yet available.	
1919	..	..	..	..		

Shipping has had a remarkable boom in Japan, and not only have great profits been distributed, but important reserves have been amassed. The table below shows the financial position of the Japanese companies from 1914 :

*In 1,000 Yen.*

Year.				No.	Paid-up Capital	Reserve Fund.	Earnings.		Dividends.
							Gross.	Net.	
1914	..	..	..	24	65,258	51,650	57,965	12,590	5,296
1915	..	..	..	24	65,796	41,742	75,845	21,450	8,621
1916	..	..	..	28	89,475	57,590	151,904	63,110	23,360
1917	..	..	..	52	174,200	126,016	295,131	143,143	72,004
1918	..	..	..	65	269,882	191,712	638,452	218,444	97,175

The past five years have seen the Japanese shipping companies extending their services all over the world. Japanese steamers are now in regular trade to the Baltic, Black Sea, the Atlantic coasts of both North and South America, to the Cape and the South Sea Islands, none of which trades had previously been within their orbit. In addition they have vastly extended their network of lines to Australia and in Far Eastern and Middle Eastern waters, and have developed an important and lucrative service between the Dutch East Indies and Holland. Japanese steamers are trading between New York and South America, New York and the Mediterranean, and between the Cape and South America.

The point which British manufacturers have to consider is to what extent Japan is destined to become a formidable rival of our own in, principally, cotton goods, iron and steel products, and in shipping. My own opinion, for what it is worth, is, as I wrote in *Japan at the Cross Roads*, that the success of Japanese competition depends largely on Government support. That is, to my mind, the real importance of the grip that Japan has obtained on China. The "open door," so far as Japan is concerned, means "open" to Japan and closed to every one else. It is natural that in war-time, with prices abnormally high and supplies abnormally short, Japanese goods, though of inferior quality, should obtain a wide market. But with normal conditions of production in this country, with prices receding to nearer pre-war figures, and with adequate shipping facilities, there is no reason why, if the "open door" is really open, we should not regain our markets in China and elsewhere. In particular, for political as well as economic reasons we ought to make every effort to restore our position in India, in the Straits and in Australia. Labour is, of course, cheaper in Japan, but its cost is steadily rising, especially that of skilled labour. Really skilled labour is very scarce. There is an increasing amount of social unrest, and a careful examination appears to show a decrease of efficiency in labour. The greatest stumbling-block in the way of Japanese main-

tenance of their improved trading position is the low quality of goods and persistent failure to "ship to sample." Admittedly the Japanese have laid themselves out to capture the German "trash" trade, and have done it very successfully. In more important lines they have secured a position mainly by the inability of their competitors to supply. If the British factories can produce in peace nearly as intensively as they did in war, there should not be any serious difficulty in swamping Japanese competition, provided the British Government insists on "equal opportunity for all."



## NOTE

ON page 52 I have briefly referred to a bill for Y.46,000,000 accepted by Viscount Sone and made payable to a M. Gilinski. It had not been my intention to go any further into this transaction, as it preceded the events in Japanese history which I have been desirous of dealing with. Whilst this volume was in the press, *The New York American* of February 15, 1920, published an account from its London bureau of this and other bills alleged to have been issued in 1904 by the Japanese Government. This account was re-published in *The Daily Mail* of March 6th and in *The Star* of March 5th. Subsequently a denial of the story was issued by the Japanese Embassy in London. *The Daily Mail*, in re-publishing the account of *The New York American*, stated that from its own inquiries it was satisfied that the story was substantially accurate.

There are, however, certain inaccuracies in the story in the *American*, and certain points, which in the interests of historical accuracy should be cleared up, and as the bills in question have come across the author's path various times within the last five years, it may be useful to say something about them.

The summarized story as reprinted in *The Star* was as follows :—

“What is stated to be a colossal plot, which had for its purpose the surrender to the Japanese forces of Port Arthur, is the subject of a long and dramatic cable, dated from London, to *The New York American*. At least two nations—Great Britain and the United States—says the cable, are endeavouring to solve the mystery surrounding a colossal plot for international corruption. Photo-

graphic copies of certain secret documents have recently found their way into the American Embassy in London. These indicate that in 1904 'a Japanese officer of the highest rank,' contracted to pay 138,000,000 yen (about £13,800,000) for a certain service hinted to have been the surrender of Port Arthur. Port Arthur, it need hardly be recalled, was delivered up to the Japanese on January 4, 1904, by General Stossel. Dr. Morrison, the correspondent of *The Times*, London, visited Port Arthur and said its surrender was unjustified. 'No more discreditable surrender has been recorded in history,' he wrote. 'Payment of this stupendous sum,' the cable continues, 'was guaranteed on March 22, 1915, after the expiration of eleven years. The Japanese Government denies any knowledge of the contract whatever. It may be that a conspiracy is or was on foot to throw discredit on the Governments concerned. Be that as it may, the documents exist, and the British Government is doing its utmost to ascertain the facts.' The negotiations and the contract appear to have been handled by a Pole, who acted as intermediary between an officer of the highest standing in Japan, already referred to, and a Russian officer invested with an equally important position. When the first of the promissory notes became due it was placed in the hands of one of the best-known banks in London for collection. Although the Japanese Embassy testified to the genuineness of the signature at the foot of the contract, the Japanese Government refused to honour the note on the ground that the Government had no knowledge of the transaction, which was personal and unofficial! Moreover, it was provided for in the contract that no payment should be made if, when it became due, the country was at war. Such was, of course, the case in 1915. In all there are five documents, three of which are in the vaults of a great London banking house, where they are guarded with extreme care. Various British authorities tried in 1915 and 1916 to obtain the documents. In 1917 they obtained full knowledge of the three documents. The manner in which the information was

obtained was most dramatic, but still remains a mystery. The West-end flat of a well-known nobleman was raided, and a prominent London citizen was publicly assaulted, in the hope of getting documents. The text of the preliminary contract and the final one which replaced it are given verbatim in the paper and are set out clause by clause."

The first point is that there is nothing new about the business. I first heard of these bills in Japan, and frankly did not believe that they existed. A very good reason for this attitude was the impossibility of Japan paying them, an impossibility which became a possibility owing to the war. It was quite well known that Japan did finance Russian revolutionaries, and indeed, when in Finland, I became acquainted with an extremely charming Japanese gentleman—he was studying forestry—whose business undoubtedly was to carry on the good work. But in London, in Switzerland, and in Germany the existence of these bills was well known. Within a radius of a thousand yards of the Royal Exchange it would be possible with great ease to find a hundred reputable firms of bankers, solicitors, and insurance companies who have been asked to advance money on one of them, the Gilinski bill to wit. In fact, the first occasion on which I came in actual touch with the transaction was when the general manager of a very well-known insurance company asked me to look over the documents in regard to their authenticity. A short time thereafter two of the most respected firms of solicitors in the City also brought me the documents. One firm was acting for a bank which had advanced money on them, the other was acting for clients who had been invited to do likewise.

The second point is that the bill or bills had nothing to do with Port Arthur. They were given to a group of Russian revolutionaries to assist them in creating such a condition of affairs in Russia as should make it impossible for that country to continue to carry on the war.

I have been informed that there is actually only one

genuine bill, that known as No. 2. Nos. 1 and 3 are duplicate and triplicate. There were other bills, but not of this series, as one may say. One, it is stated, was payable to a Bremen firm, and was taken over by a big German bank. It was also stated that this Bremen bill was at the bottom of the Dogger Bank affair, but of that I know nothing, and my informant is dead.

The documents in the case are five in number, viz.:—

1. Draft or Provisional Contract.
2. Final Contract.
3. Promissory Note, No. 1.
4. Promissory Note, No. 2.
5. Promissory Note, No. 3.

The following is the text of the "Draft" or "Provisional" Contract, which was typewritten in a sort of English:—

" In the year 1904 was concluded and signed the following contract between the Government of Japan and the bearer of the present contract, who fully signed.

" 1. The Government of Japan is obliged to pay all the expenses of the present contract and to keep it in great secrecy until March 22, 1915, and not give any information to any person whoever may be the person to inquire.

" 2. The Government of Japan will pay a premium of 46,000,000 Yens, if the conditions of this Contract, as in paragraphs 9 and 10, will be maintained by the other contractor.

" 3. The Government of Japan will be able to refuse to pay the sum known indicated in the case of war is declared between Japan and another nation in the period 1904-1915 and that Japan is vanquished.

" 4. The Government of Japan recognizes as perfect as making part in the laws of the country of the present contract, that the execution will take place March 22, 1915. Till this date the contract will serve like a historic document and as document of legitimation.

" 5. In case of the bearers' death of the present contract, the Government of Japan will pay the entire sum to the bearers of N 1 and N 3, which, to each, half will be given.

" 6. The contract cannot be either transmitted or realized before the fixed date of the payment.

" 7. The Government of Japan will not give guarantee, the consequences that can be produced of the realization of the present

contract before March 22, 1915, and gives guarantee only the payment for this date.

" 8. In case that contractor of the present contract will give his place to the third, the contract will become nothing.

" 9. The bearer of this contract will receive the sum that is spoken of in paragraph 2 of the Government of Japan, if his assistant and the one of his associates makes that the Government gives the victory of the war. The Government of Japan does not enter into the details of the assistant.

" 10. The bearer of this contract must keep it secret, otherwise it becomes nothing.

" 11. The Government of Japan recognizes as duty to pay the sum of 46,000,000 Yens, March 22, 1915, for the services which will be given in the period 1904-1905 in the personal presentation of the Contract."

The " final " contract, as translated and published by *The New York American*, reads as follows :—

#### CONTRACT.

" The Provisional Contract and verbal Agreements of 1904 hereby become void, and are in all respects superseded by these presents.

" **CLAUSE 1.**—This Contract and the three Drafts to which it relates are to be presented for payment between the 22nd March and 1st July, 1915.

" **CLAUSE 2.**—Part payment of not less than 40 per cent. of the face value of each Draft may be made on presentation and the balance be arranged for payment at latest by the end of the year 1916. The Drafts, however, must be presented for payment in cash between March 22 and July 1, 1915.

" **CLAUSE 3.**—The transfer of this Contract or the Drafts to third persons during the period of the Contract is prohibited, and in the event of such transfer the Drafts and Contract shall become void, and no Appeal of whatever kind shall be allowed.

" **CLAUSE 4.**—Payment of the Drafts may be postponed in the event of War being declared between Japan and another country during the period from 1904 to 1915.

" **CLAUSE 5.**—If this Contract and the Drafts are lost they shall become void, and no fresh Contracts or Drafts shall be issued.

" **CLAUSE 6.**—The persons who have signed this Contract and who are duly empowered by the Government therefore are responsible for the carrying out of the terms of the Contract.

" **CLAUSE 7.**—The wording of the three Drafts is identical, and the total amount of each Draft is 46 million yen.

"CLAUSE 8.—This Contract holds good only if presented in conjunction with the Drafts, and the Drafts hold good only if presented in conjunction with this Contract.

"CLAUSE 9.—Any one of the three Drafts may be presented separately for payment in cash, but this Contract must be simultaneously exhibited.

"CLAUSE 10.—The total amount of the three Drafts is 138 million yen, which is the amount of remuneration recorded in the English language in the Provisional Contract of 1904."

This is the Contract which bears the signature of Prince Yamagata.

This translation is substantially accurate, except in Clause 10, which makes it appear as though the liability of the Japanese Government was Y.138,000,000, instead of Y.46,000,000.

It is perhaps desirable to add that the bills have figured in a lawsuit in the British Courts. When the Gilinski bill was presented for payment in 1915, the Japanese authorities declined to pay the same, under Clause 4 of the Final Contract. As the payees were being pressed for repayment of a large sum advanced by a Swiss bank on the security of the bill, they endeavoured to raise funds in London to sue the Japanese Government. A certain amount of money was found, and it was on a claim for commission on this money that the bills made their appearance at the Courts of Justice. Eventually, it is understood, the No. 2 bill was paid in the spring of 1919.